

**Roundtable on Sustainable Palm Oil Certification
R S P O**

[] Stage-1 [] Stage-2 [✓] Surveillance [] Re-Certification

Name of Management : BLANG SIMPO Palm Oil Mill – PT. PERKASA SUBUR SAKTI, subsidiary of Organisation
SIME DARBY PLANTATIONS SDN. BHD.
Plantation Name : PT. PADANG PALMA PERMAI: BLANG SIMPO-01 Estate, BLANG SIMPO-02 Estate, TAMIANG Estate.
PT. PERKEBUNAN SRI KUALA: BATANG ARA Estate.
Location : Village of Tualang Pateng, Sub District of Peureulak Timur, District of Aceh Timur, Province of Aceh, INDONESIA
Certificate Code : **MUTU-RSPO/026**
Date of Certificate Issue : 3rd May 2013 Date of License Issue : 3rd May 2016
Date of Certificate Expiry : 2nd May 2018 Date of License Expiry : 2nd May 2017

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-03	14 – 18 March 2016	Y. Wisnu Rahmanto (Lead Auditor); Moh. Arif Yusni, Sandra Purba, Yohanes Hardian	Octo HPN Nainggolan	Tony Arifiarachman

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-03	26 May 2016

TABLE OF CONTENT

FIGURE	1
Figure 1. Location Map of Blang Simpo Estates and Blang Simpo Factory.....	1
Figure 3. Operational Map of Blang Simpo Factory dan Blang Simpo Estate.....	3
Figure 4. Operational Map of Tamiang Estate and Batang Ara Estate.....	4
Glossary.....	5
1.0 SCOPE OF THE CERTIFICATION ASSESSMENT	6
1.1 Assessment Standard Used	6
1.2 Organisation Information.....	6
1.3 Type of Assessment.....	6
1.4 Locations of Mill and Plantation	6
1.5 Description of Area Statement	7
1.6 Planting Year and Cycles.....	7
1.7 Description of Mill and Supply Base	8
1.8 Estimate Tonnage of Certified Product.....	9
1.9 Other Certifications	9
1.10 Time Bound Plan	9
2.0 ASSESSMENT PROCESS.....	13
2.1 Assessment Team.....	13
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	13
2.3 Stakeholder Consultation and Stakeholders Contacted.....	15
2.4 Determining Next Assessment.....	15
3.0 ASSESSMENT FINDINGS	16
3.1 Summary of Assessment Report of the RSPO Certification	16
3.2 Summary of Assessment Report of Supply Chain Requirements.....	39
3.3 Conformity Checklist of Certificate and Logo Use (<i>only apply for Surveillance Assessment Report</i>)	42
3.4 Summary of RSPO Partial Certification	43
3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components	46
3.6 Summary of Arising Issues from Public, Management and Auditor Response	77
4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY	86
4.1 Formal Sign-off of Assessment Findings.....	86
APPENDICES	87
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process.....	87
Appendix 2. Assessment Program	88
Appendix 3. List of CSPO and CSPK Deliveries	91
Appendix 4. Checklist of P&C RSPO Assessment	Error! Bookmark not defined.
Appendix 5. Checklist of Supply Chain Requirements	93

FIGURE

Figure 1. Location Map of Blang Simpo Estates and Blang Simpo Factory

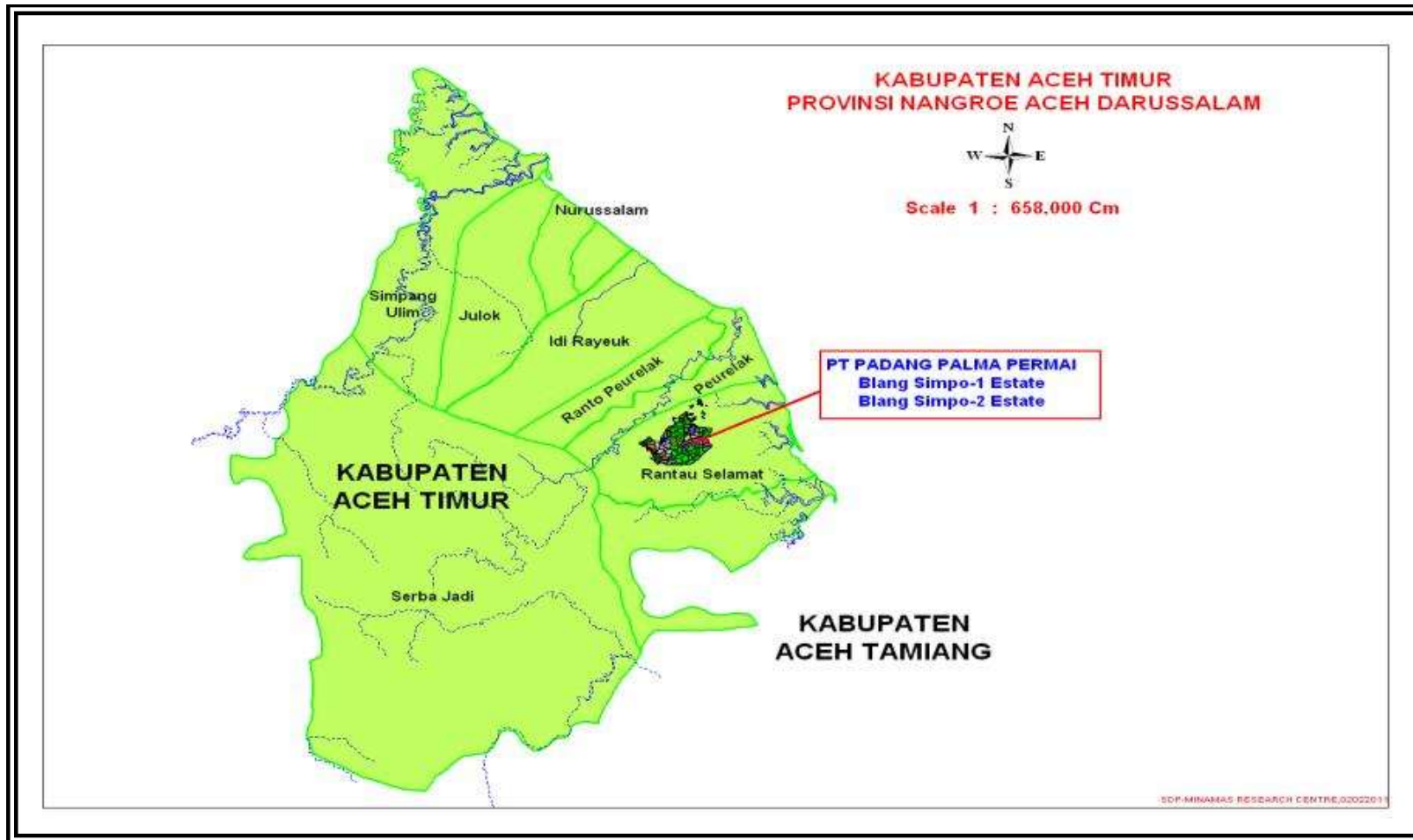


Figure 3. Operational Map of Blang Simpo Factory dan Blang Simpo Estate

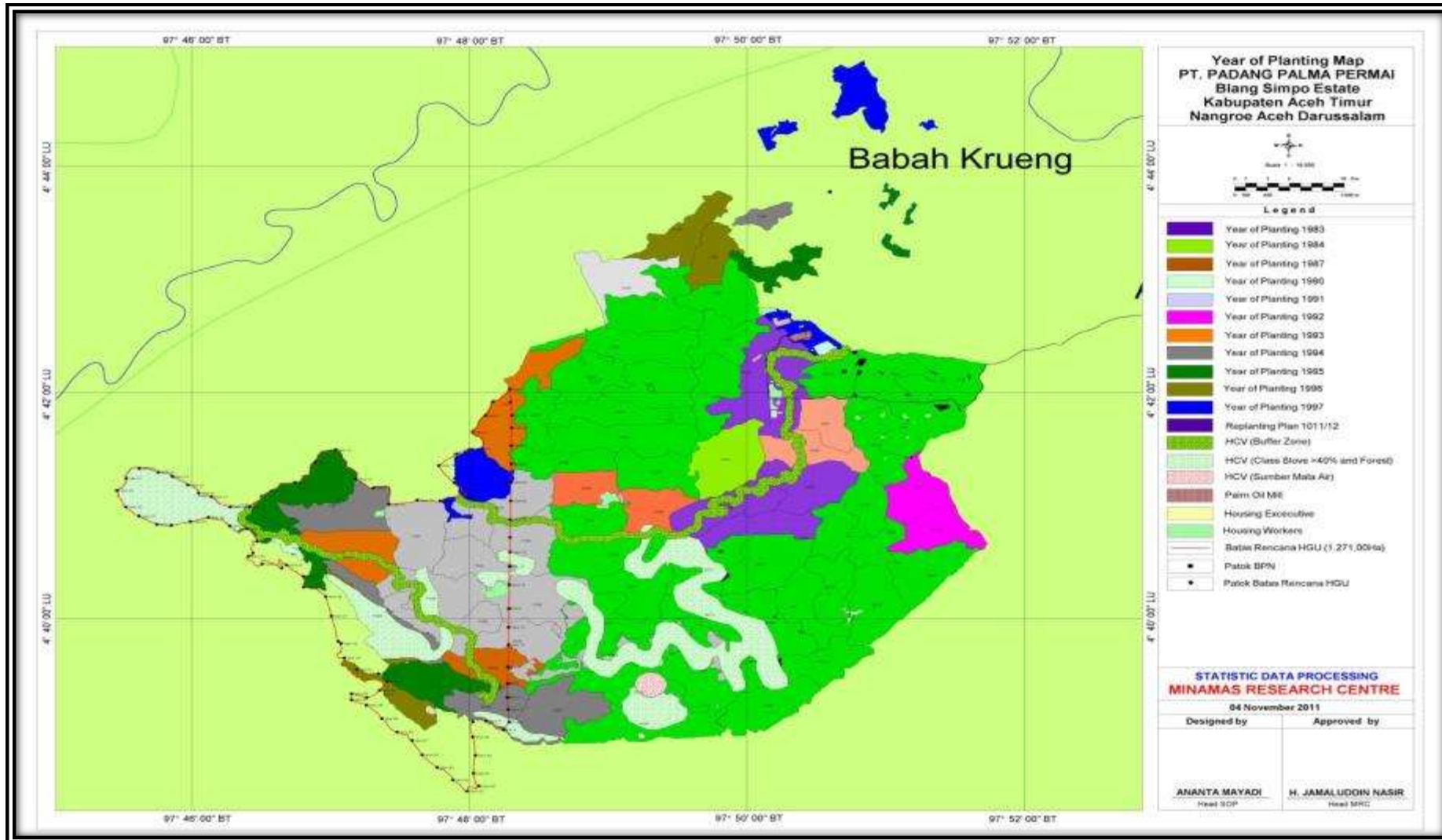
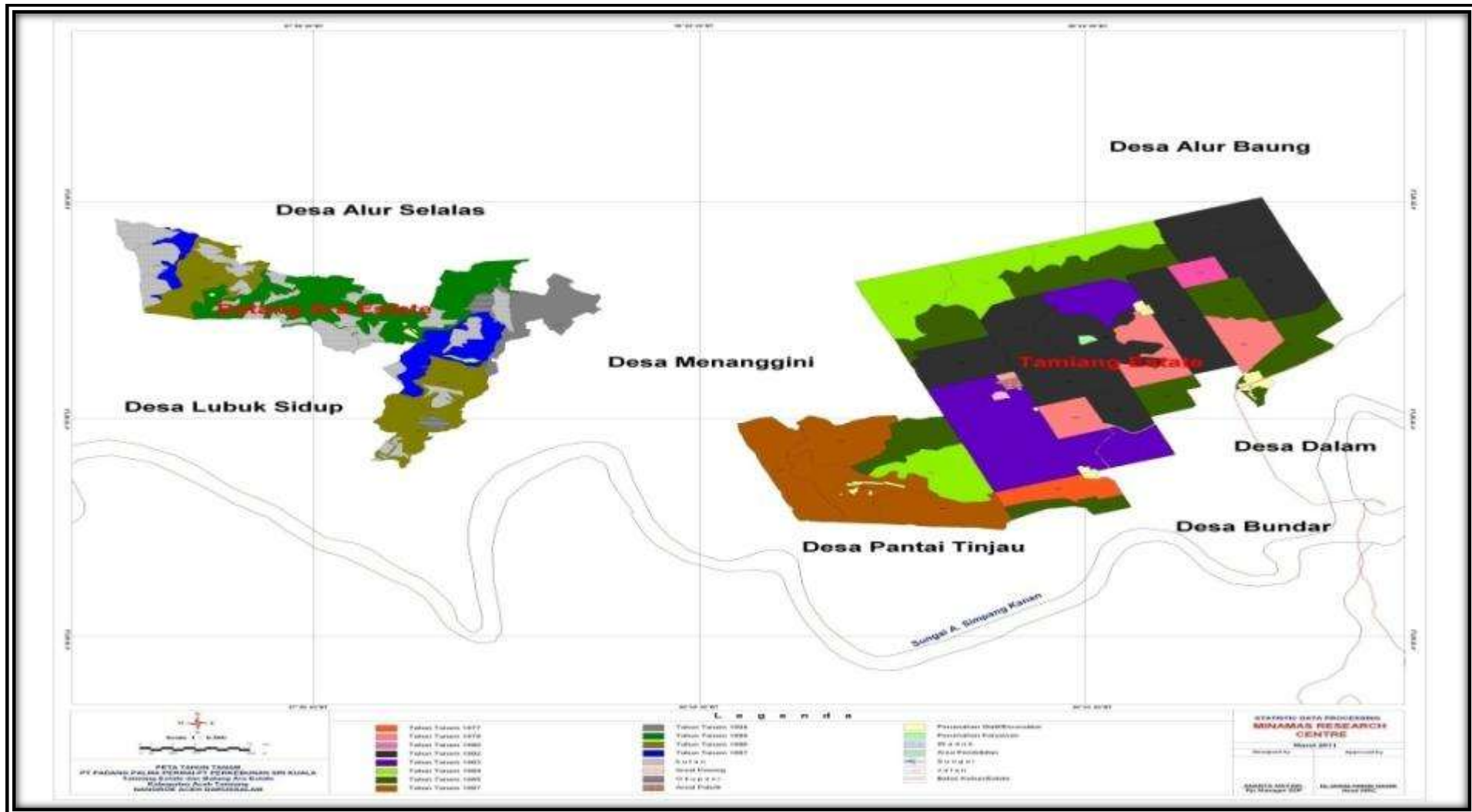


Figure 4. Operational Map of Tamiang Estate and Batang Ara Estate



Glossary

AMDAL	:	<i>Social and Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan)</i>
APD / PPE	:	<i>Personal Protection Equipment (Alat Pelindungan Diri)</i>
ASA	:	<i>Annual Surveillance Assessment</i>
ASEAN	:	<i>Association of South East Asian Nations</i>
B3	:	<i>Hazardous Material Waste (Bahan Beracun dan Berbahaya)</i>
BAE	:	<i>Batang Ara Estate</i>
BOD	:	<i>Biological Oxygen Demand</i>
BSE	:	<i>Blang Simpo Estate</i>
BSF	:	<i>Blang Simpo Factory</i>
CPO	:	<i>Crude Palm Oil</i>
CBD	:	<i>Convention on Biodiversity</i>
HCV	:	<i>High Conservation Value (Nilai Konservasi Tinggi)</i>
HGU	:	<i>Land Use Right/Title (Hak Guna Usaha)</i>
IUP	:	<i>Plantation Operation Licence (Izin Usaha Perkebunan)</i>
IPAL	:	<i>Installation of Waste Distribution (Instalasi Penyaluran Air Limbah)</i>
JAMSOSTEK	:	<i>Social Assurance of Labor (Jaminan Sosial Tenaga Kerja)</i>
Jankos / EFB	:	<i>Janjangan Kosong / Empty Fruit Bunch</i>
K3 / OHS	:	<i>Keselamatan dan Kesehatan Kerja. (Occupational Health and safety)</i>
KER	:	<i>Kernel Extarction Rate</i>
LC	:	<i>Land Clearing</i>
OER	:	<i>Oil Extarction Rate</i>
PHT / IPM	:	<i>Pengendalian Hama Terpadu (Integrated Pest Management)</i>
PK	:	<i>Palm Kernel</i>
PKS / POM	:	<i>Pabrik Kelapa Sawit / Palm Oil Mill</i>
POME	:	<i>Palm Oil Mill Effluent</i>
PPP	:	<i>Padang Palma Permai</i>
PSD	:	<i>Plantation Services Departement</i>
PSQM	:	<i>Plantation Sustainability and Quality Management</i>
PSK	:	<i>Perusahaan Srikuala</i>
PSS	:	<i>Perkasa Subur Sakti</i>
RKL/RPL	:	<i>Rencana Kelola Lingkungan/ Rencana Pemantauan Lingkungan. (Environmental Management Plan/ Environment Monitoring Plan)</i>
RSPO	:	<i>Roundtable on Sustainable Palm Oil</i>
SOP	:	<i>Standard Operating Procedure</i>
TBS / FFB	:	<i>Tandan Buah Segar (Fresh Fruit Bunches)</i>
TME	:	<i>Tamiang Estate</i>
UKL/UPL	:	<i>Upaya Kelola Lingkungan/ Upaya Pemantauan Lingkungan. (Environmental Management Efforts/ Environmental Monitoring Efforts)</i>

1.0 SCOPE OF THE CERTIFICATION ASSESSMENT				
1.1 Assessment Standard Used				
	<ul style="list-style-type: none"> RSPO Generic Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013. RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill) 			
1.2 Organisation Information				
1.2.1	Organisation name listed in the certificate	PT. PERKASA SUBUR SAKTI; PT. PADANG PALMA LESTARI; PT. PERKEBUNAN SRI KUALA – SIME DARBY PLANTATIONS SDN. BHD.		
1.2.2	Contact person	Mohamad Pirabaharan		
1.2.3	Organisation address and site address	<ul style="list-style-type: none"> RSPO registered company: No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301 Liaison Office: The Plaza Lt. 36, Jl MH Thamrin Kav. 28-30 Jakarta 10350 		
1.2.4	Telephone	+62-21-2992600		
1.2.5	Fax	+62-21-29922686		
1.2.6	E-mail	mohamad.pirabaharan@sime-darby.com		
1.2.7	Web page address	www.sime-darby.com		
1.2.8	Management Representative who completed the application for certification	Mohamad Pirabaharan (<i>Head of PSQM</i>)		
1.2.9	Registered as RSPO member	1-0008-04-000-00 7 September 2004		
1.3 Type of Assessment				
1.3.1	Scope of Assessment and Number of Management Unit	1 Palm Oil Mill and 4 supply bases Blang Simpo Mill, Blang Simpo-01 Estate, Blang Simpo-02 Estate, Tamiang Estate, Batang Ara Estate.		
1.3.2	Type of certificate	Single		
1.4 Locations of Mill and Plantation				
1.4.1	Location of Mill			
	Name of Mill	Location	Coordinate	
			Latitude	Longitude
	Blang Simpo (PT PSS)	Village of Tualang Pateng, Subdistrict of Peureulak Timur, Regency of Aceh Timur, Province of Aceh	N 04° 42' 28"	E 97° 50' 56"
1.4.2	Location of Certification Scope of Supply Base			
	Name of Supply Base	Location	Coordinate	
			Latitude	Longitude
	Blang Simpo 01 Estate (PT PPP)	Village of Seuneubok Lapang, Subdistrict of Peureulak Timur, Regency of Aceh Timur, Province of Aceh	N 4° 38' 54" – 4° 40' 53"	E 97° 45' 28" – 97° 48' 47"

Blang Simpo 02 Estate (PT PPP)	Village of Seuneubok Lapang, Subdistrict of Peureulak Timur, Regency of Aceh Timur, Province of Aceh	N 4° 40' 55" – 4° 43' 53"	E 97° 48' 28" – 97° 51' 47"
Tamiang Estate (PT PPP)	Village of Kebun Tanah Terban, Subdistrict of Karang Baru, Regency of Aceh Tamiang, Province of Aceh	N 4° 17' 03" – 4° 20' 03"	E 97° 56' 50" – 98° 3' 26"
Batang Ara Estate (PT Sri Kuala)	Village of Alur Selalas, Subdistrict of Karang Baru, Regency of Aceh Tamiang, Province of Aceh	N 4° 17' 00" – 4° 19' 50"	E 97° 56' 10" – 98° 1' 34"

1.5 Description of Area Statement

1.5.1	Tenure	
	<ul style="list-style-type: none"> State: HGU HGU on process 	7,580.88 Ha 1,239.08 Ha
	<ul style="list-style-type: none"> Community 	- Ha

1.5.2 Area Statement

	PT. PSS	PT. PPP	PT. PSK	Total
• Total area	5.92	7,685.15	1,128.91	8,819.96
• Mature area	-	3,344.03	442.54	3,786.57
• Immature area	-	2,218.60	358.98	2,577.58
• Mill	5.92	-	-	5.92
• Workers Quarter	-	52.66	5.01	57.67
• Infrastructure	-	167.49	20.03	187.52
• Nursery	-	19.00	-	19.00
• Occupation	-	888.39	17.67	906.06
• Reserve area	-	330.67	-	330.67
• HCV	-	216.34	78.93	295.27
• Conservation area	-	267.76	205.75	473.51
• Land Clearing	-	169.36	-	169.36
• Others area (Pertamina Pipe Line)	-	10.85	-	10.85

**Status of area 1,239.08 Ha has been obtaining Plantation Permit in 2015 and currently still on progress to Land Use Title.*

1.6 Planting Year and Cycles

1.6.1	Age profile of planting year					
	Planting Year	Hectarage (Ha)				
		BSE-01	BSE-02	TME	BAE	Total
	1982	97.06	-	-	-	97.06
	1983	205.76	-	-	-	205.76
	1984	-	-	-	-	-
	1985	175.54	-	-	-	175.54
	1987	-	-	-	-	-
1990	-	773.90	529.99	-	1,303.89	

	1991	-	65.61	538.80	-	604.41	
	1992	-	-	-	-	-	
	1993	-	-	189.11	-	189.11	
	1994	-	119.05	161.80	61.76	342.61	
	1995	-	52.47	-	170.11	222.58	
	1996	-	-	-	143.97	143.97	
	1997	-	86.89	56.65	66.70	210.24	
	2011	127.21	-	-	-	127.21	
	2012	-	164.19	-	-	164.19	
	2013	313.56	189.24	146.53	-	649.33	
	2014	162.84	221.42	169.36	-	553.62	
	2015	229.99	345.66	-	228.20	803.85	
	2016	-	181.58	258.42	130.78	570.78	
	TOTAL	1,311.96	2,200.01	2,050.66	801.52	6,364.15	
1.6.2	New Planting area after January 2010		- Ha				
1.6.3	Planting Cycle		2 nd Cycle				
1.7 Description of Mill and Supply Base							
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (ton)	Extraction (%)	Out put (ton)	Extraction (%)
	BLANG SIMPO	30	59,374.48	12,852.32	21.59	2,291.73	3.86
	<i>*Production data BLANG SIMPO FACTORY Maret 2015 – February 2016</i> Discrepancy volume between POM and Estates is due to cut off entry data differences. FFB production from estate on 29 Feb 2016 (554.74 MT) is calculated on the next day (1 st March 2016).						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)	Supplied to Mill	
						FFB (tonnes/year)	%
	BLANG SIMPO – 1 (PT. PPP)	3,591.91	2,200.01	17,927.58	8.15	17,927.58	100
	BLANG SIMPO – 2 (PT. PPP)	2,647.16	2,050.66	25,361.74	12.37	25,361.74	100
	TAMIANG (PT.PPP)	1,452.00	1,311.96	10,842.17	8.26	10,842.17	100
	BATANG ARA (PT. PSK)	1,128.91	801.52	5,797.73	7.23	5,797.73	100
	TOTAL	8,819.98	6,364.15	59,929.22	9.42	59,929.22	100
	<i>*Production data BLANG SIMPO FACTORY Maret 2015 – February 2016</i> Discrepancy volume between POM and Estates is due to cut off entry data differences. FFB production from estate on 29 Feb 2016 (554.74 MT) is calculated on the next day (1 st March 2016).						
1.7.3	FFB description from other source						
	Name of sources	Organisation	Location	Supplied to Mill			
				FFB (tonnes/year)			

	NONE						
	TOTAL						
*Production data BLANG SIMPO FACTORY Maret 2015 – February 2016							
1.7.4	Jenis Produk			FFB, CPO, PK			
1.8 Estimate Tonnage of Certified Product							
1.8.1	Past Annual Claim Certified Product		Previous Certificate Claim 3 May 2015 to 2 May 2016 (tonnes/year)	Actual certified product 3 May 2015 to 12 March 2016 (tonnes/year)			
	• FFB Production		66,506	52,764.92			
	• CPO Production		14,299	11,434.72			
	• Palm Kernel (PK) Production		2,860	2,042.89			
* Data sources: BLANG SIMPO FACTORY 3 May 2015 – 12 March 2016.							
1.8.2	Estimate of Certified FFB Claim						
	Name of Estate(s)	Total Area (Ha)	Planted Area (Ha)	FFB (tonnes/year)	Yield (tonnes/ha/year)		
	BLANG SIMPO – 1 (PT. PPP)	3,591.91	2,200.01	17,340	7.88		
	BLANG SIMPO – 2 (PT. PPP)	2,647.16	2,050.66	24,419	11.91		
	TAMANG (PT.PPP)	1,452.00	1,311.96	10,582	8.07		
	BATANG ARA (PT. PSK)	1,128.91	801.52	5,587	6.97		
	TOTAL	8,819.98	6,364.15	57,928	9.10		
*Projected FFB production for 12 months of certificate with approximate 5% decreased, due to replanting area in 2015/2016							
1.8.3	Estimate of Certified Palm Product Claim						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO Out put (ton)	Extraction (%)	Palm Kernel Out put (ton)	Extraction (%)
	BLANG SIMPO	30	57,928	12,455	21.50	2,027	3.50
*Projected CSPO and CSPK production for 12 months of certificate							
1.9 Other Certifications							
	ISO 9001:2008			-			
	ISO 14001: 2004			-			
	OHSAS 18001:2007			-			
	ISCC			-			
	Others			-			
1.10 Time Bound Plan							
1.10.1	Time Bound Plan for Other Management Units						
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status	
	MILL	Time Bound Plan					
	Sekunyir. PT. Indotruba	2010	Sekunyir	Certified 2010	Seruyan and West Kotawaringin District –	Certified	

	Tengah		Seruyan	Certified 2010	Central Kalimantan	
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	Certified 2010	Rokan Hilir District – Riau	Certified
			Manggala 2	Certified 2010		
			Manggala 3	Certified 2010		
	PT. Sime Indo Agro	2010	PT. Sime Indo Agro	Certified 2010	Sanggau District –West Kalimantan	Certified
	Teluk Siak. PT Aneka Inti Persada	2011	Teluk Siak	Certified 2011	Pekanbaru, Siak District – Riau	Certified
			Pinang Sebatang	Certified 2011		
			Aneka Persada	Certified 2011		
	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	Certified 2012	Musi Rawas District – South Sumatera	Certified
			Bukit Pinang	Certified 2012		
	Sukamandang. PT. Kridatama Lancar	2011	Sukamandang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Sapiri	Certified 2011		
			Baras Danum	Certified 2011		
			Kuala Kuayan	Certified 2011		
	Pemantang. PT. Teguh Sempurna	2011	Pemantang	Certified 2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
			Kawan Batu	Certified 2011		
			Hatan Tiring	Certified 2011		
			Batang Garing	Certified 2011		
	Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	Certified 2011	Indra Giri Hilir District – Riau	Certified
			Nusa Perkasa	Certified 2011		
			Nusa Lestari	Certified 2011		
	Mandah. PT. Bhumireksa Nusa Sejati	2014	Mandah	Certified 2011	Indra Giri Hilir District – Riau	Certified
			Rotan Semelur	Certified 2011		
	Angsana Mini. PT Sajang Heulang	2011	KKPA-1 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified
			Pantai Bonati	Certified 2011		
	Angsana. PT	2011	Angsana	Certified 2011	Tanah Bumbu District – South Kalimantan	Certified

	Ladangrumpun Suburabadi		Gunung Sari	Certified 2011		
			KKPA-4 PT.SHE	Certified 2013		
	Mustika. PT Sajang Heulang	2013	KKPA-2 PT.SHE	Certified 2013	Tanah Bumbu District – South Kalimantan	Certified
			KKPA-3 PT.SHE	Certified 2013		
			KKPA-5 PT.SHE	Certified 2013		
	Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	Certified 2011	Kotabaru District – South Kalimantan	Certified
			Gunung Kemasari	Certified 2011		
			Laut Timur	Certified 2011		
			Pantai Timur	Certified 2011		
	Bebunga. PT. Langgeng Muaramakmur	2011	Sungai Cengal	Certified 2011	Kotabaru District – South Kalimantan	Certified
			Bebunga	Certified 2011		
			KKPA Sungai Cengal	2014		
	Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	Certified 2012	Kotabaru District – South Kalimantan	Certified
			Pondok Labu	Certified 2012		
			Rampa	Certified 2012		
			Sesulung	Certified 2012		
	Selabak. PT Swadaya Andhika	2012	Selabak	Certified 2012	Kotabaru District – South Kalimantan	Certified
			Randi	Certified 2012		
			Sangkoh	Certified 2012		
			Lanting	Certified 2012		
	Rantau. PT Laguna Mandiri	2012	Rantau	Certified 2012	Kotabaru District – South Kalimantan	Certified
			Matalok	Certified 2012		
	Betung. PT Laguna Mandiri	2014	Betung	Certified 2012	Kotabaru District – South Kalimantan	Certified
			Sekayu	Certified 2012		
	Ungkaya. PT Tamaco Graha Krida	2012	Ungkaya	Certified 2012	Morowali District – Sulawesi Tengah	Certified
			Plasma TGK	2015		
	Ladang Panjang. PT Bahari	2012	Ladang Panjang	Certified 2012	Muaro Jambi District - Jambi	Certified

	Gembira Ria		Plasma BGR	2015		
	Rantau Panjang. PT Guthrie Pecconina Indonesia	2012	Rantau Panjang	Certified 2012	Musi Banyuasin District – South Sumatera	Certified
			Bumi Ayu	Certified 2012		
			Karang Ringin	Certified 2012		
			Napal	Certified 2012		
			Mangun Jaya	Certified 2012		
			KKPA Sungai Jernih	2015		
	Blang Simpo. PT Perkasa Subur Sakti	2013	Tamiang (PT PPP)	Certified 2013	Aceh Tamiang and East Aceh District – Nanggroe Aceh Darussalam	Certified
			Batang Ara ((PT PSK))	Certified 2013		
			Blang Simpo-01 (PT PPP)	Certified 2013		
			Blang Simpo-02 (PT PPP)	Certified 2013		
	MAS. PT Mitra Austral Sejahtera	2017	MAS 1	2017	Sanggau District – West Kalimantan	2017
			MAS 1	2017		
			MAS 1	2017		
	Lembiru. PT Sandika Nata Palma	2014	Lembiru	Certified 2014	Ketapang District – West Kalimantan	Certified
			Awatan	Certified 2014		
			Pelanjau (PT BAL)	2017		
			Sungai Putih (PT BAL)	2017		
			Baturus (PT BAL)	2017		
	Sime Darby Plantations Bhd. Indonesia, as a member of the RSPO has not made updating yet against RSPO certification assessment Time Bound Plan 2016 related to the status of all units / subsidiaries, including a written statement (justifications) in case of a change of time bound plan of the RSPO certification. This is not in accordance with the RSPO Certification System version 2007 (rev. 2011). NCR No. 2016.01: Major NC for RSPO Certification System 4.2.4 c&d					
1.10.2	Progress of Associated Smallholders and Outgrowers for Certifiable Standard					
	Blang Simpo POM and its supply bases is now still ongoing progress to develop of scheme smallholders at Cik Mbun village with size approximately 720 Ha. The current status of smallholder's development is appointment of cooperative members by Local Government and there are no land preparation activities that have been commenced.					

2.0 ASSESSMENT PROCESS	
2.1 Assessment Team	
ASA-03	<p>1. Yudwi Wisnu Rahmanto (Lead Auditor). Bachelor of Forestry with Silviculture background. He worked at professional independent Certification Body as an Auditor for last 5 years and has involved in auditing activities with various certification schemes. Selected training which have been followed, such as RSPO Endorsed Lead Auditor Training Course, ISPO Auditor/Lead Auditor Course, Quality Management System (QMS) ISO 9001:2008 Auditor/Lead Auditor Course, GIS-Basic Mapping and Spatial Analysis, Timber Legality Assurance System (SVLK), Verification Organization Training C.A.F.E Practices (Starbucks) and others internal training programs. He has involved in auditing activities, such as Sustainable Forest Management by FSC FM/COC Scheme, Sustainable Palm Oil by RSPO and ISPO Scheme, Coffee And Farmer Equity (C.A.F.E Practices) Starbucks, Organic Standard (EU, NOP, JAS) for Coffee Farmers and Organic Exchange for Textile. During this audit, he assigned to verify of legal, land tenure, social and supply chain aspect</p> <p>2. Sandra Purba (Auditor). Agriculture, University of North Sumatra. Have experience working in oil palm plantations Company. She had attended such training: Training Expert of OHSAS General, Training ISPO Auditor and Auditor/Lead auditor Management System Certification (ISO 9001-2008). During the assessment the auditor verified Occupational health & Safety and social aspects.</p> <p>3. Moh. Arif Yusni (Auditor). A bachelor of Agriculture, majoring of Plant Pest and Diseases (Plant Protection), Faculty of Agriculture, University of Padjadjaran Bandung. The training which have been followed, Lead Auditor Indonesian Sustainable Palm Oil (ISPO) dan pelatihan Auditor / Lead Auditor Management System ISO 9001-2008, He has aworking experience for 2 (two) years in oil palm Plantation Company in Indonesia. Currently working on an independent certification body as an auditor.</p> <p>4. Yohanes Hardian (Auditor). Diploma 3 Forest Resource Conservation, Faculty of Forestry, Bogor Agricultural University, specialist in the field of environment and wildlife, and HCV Attended training involved several managers Identification of HCV Oil Palm Plantation. Worked as an environmental staff on Oil Palm Plantation. ISPO auditors have been trained and have been training Auditor ISO 9001 and ISO 19011. Legal Training documents inhouse training ISPO commission. In the surveillance assessment-4 this time to assess the environmental aspects, conservation</p>
2.2 Assessment Methodology, Assessment Process and Locations of Assessment	
2.2.1	Figure of person days to implement assessment
ASA-03	<p>Number of auditors: 4 auditor</p> <p>Number of days for ASA-3 at site : 5 days</p> <p>Number of working days for ASA-3 at site : 20 Working days</p>
2.2.2	Assessment Process
ASA-03	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Padang Palma Permai, PT Perkebunan Sri Kuala dan PT Perkasa Subur Sakti to the requirements of RSPO Generic Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013 and RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill).</p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Some opportunities for improvement of the results ASA-3 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-4).</p> <p>Improvement of findings from main assesment findings were observed by auditors at this ASA-3 assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA-3</p>

The assessment program please find Appendix 2

2.2.3	Location of Assessment
ASA-03	<p>PT Padang Palma Permai:</p> <ul style="list-style-type: none"> • Block B-010, Division 2. Observation of the legal Boundary Pole National Land Agency 97. • Block B-002, Division 3. Observation of the legal Boundary Pole National Land Agency 86. • Block C03, Division III. Observations and interviews related to palm oil harvesting. • Block C04, Division II. Observations and interviews related to fertilization. • Workers Quarters. Field observation to ensure the availability and feasibility of the facilities for employees provided by the company, interviews were conducted to ensure understanding of the mechanisms of complaint, handling domestic waste mechanism and emergency response mechanisms. • Fertilizer store. Field observation to see storage and management of fertilizer • Agrochemical Store. Field Observation of storage and management of chemicals used by the company among others herbicides, fungicides, pesticides and insecticides • Workshop. Observation of workshops activity such as repair and maintenance of vehicles and heavy equipment • Block A014, Div 1, BSE 1. Field observation of domestic waste management activity • Nursery. Field observations to see nurseries and interviews with employees to find out understanding aspects of employment and OHS <p>Mill</p> <ul style="list-style-type: none"> • WWTP. Observations and interviews related to the management of effluent. • Reservoir. Observations of water resources management in the form of reservoir. • Grading. Observations and interviews with officers of grading to see the process of grading FFB received by the BSF, the understanding of the SOP, OHS aspect and employment aspects • FFB Process. Observations and interviews with employees about process activities in the mill started off sterilizer, clarifier station, station nut and kernel, engine room and boiler station. Interviews related to payroll, use of PPE, routine health examination and complaint mechanism • Workshop, Hazardous Waste Storage, Chemicals Warehouse: According to the field visit and interview in term of OHS< hazardous waste and hazardous material management, employee welfare and freedom to unite. The workers have aware of the safety work practice, they have used PPE and proper regular medical check up, the hazardous waste and hazardous material are properly symbolized. • WTP: Field visit and interview in term of the clean water The amount of water used on the mill needs and debit of proses FFB is monitored by using <i>flow meter</i>. • Disposal drains around the plant : disposal drains outlet already equipped with sedimentation ponds so that the dirt stuck in ponds and pumped to the WWTP <p>Tamiang Estate:</p> <ul style="list-style-type: none"> • Block A012, Division I. Observations and interviews related to palm oil harvesting • Block A011, Division I. Observations and interviews related to weed control chemically (Herbicide Application) • Emplacement Div 1. Field observation to ensure the availability and feasibility of the facilities for employees provided by the company, interviews were conducted to ensure understanding of the mechanisms of complaint, handling domestic waste mechanism and emergency response mechanisms. • Fertilizer store. Field observation to see storage and management of fertilizer • Agrochemical Store. Field Observation of storage and management of chemicals used by the company among others herbicides, fungicides, pesticides and insecticides • Workshop. Observation of workshops activity such as repair and maintenance of vehicles and heavy equipment • Clinic. Observation of clinical activities and interviews with paramedics such as health programs, health checks, mothers and child health monitoring (Posyandu), and management of infectious waste • Block B007 Division 3 : Observation of the legal Boundary Pole National Land Agency no 21 PT PPP • Block B002 Division 3 : Observation of the legal Boundary Pole National Land Agency no 24 PT PPP

- **Block C003 Division 1** : Observation of the legal Boundary Pole National Land Agency no 01 PT PSK
- **Block C006 Division 1**: Observation of the legal Boundary Pole National Land Agency **no 06 PT PSK**
- **Hazardous Waste Storage at Division 2** . Observation and interview in term of the hazardous waste management and emergency response facilities
- **Riparian Area at Ulir river (HCV 4 area) Block A002 Tamiang Estate**. Based on the results of the visit known companies do not conduct replanting in the area defined as HCV

Public Consultation

- **Gender Committee**. Held on 16 March 2016
- **Labour Union**. Held on 16 March 2016
- **Local Contractor**. Held on 16 March 2016
- **Environment Agency; Plantation and Forestry Agency; Manpower Agency at Aceh Timur District**. Held on 16 March 2016

Consultations with villagers:

15 March 2016

Seuneubok Lapang Village, Sub District of Peureulak Timur, District of Aceh Timur.

Tualang Pateng Village, Sub District of Peureulak Timur, District of Aceh Timur.

Lubuk Pemping Village, Sub District of Peureulak Timur, District of Aceh Timur.

16 March 2016

Kampung Dalam Village, Sub District of Karang Baru, District of Aceh Tamiang.

Alur Selalas Village, Sub District of Karang Baru, District of Aceh Tamiang.

2.3 Stakeholder Consultation and Stakeholders Contacted	
2.3.1	Summary of stakeholder consultation process.
ASA-03	<p>Summary of stakeholder consultation process</p> <p>Consultation of stakeholders for Blang Simpo POM, PT Perkasa Subur Sakti, PT Padang Palma Permai dan PT Perkebunan Sri Kuala - SIME DARBY Plantation Sdn. Bhd was held by:</p> <ul style="list-style-type: none"> • Public Notification on web mutucertification.com at February 29th 2016 • Visitation to government agencies in Aceh Tamiang District and East Aceh District (Environment Agency; Plantation and Forestry Agency; Manpower Agency) on March 16th 2016 • Consultation with NGO (FFI, Walhi Aceh) via email on March 8th 2016. • Field visit to the nearby villages and the interview with the locals at Seuneubok Lapang Village, Tualang Pateng Village, Lubuk Pemping Village Sub District of East Peureulak, District of East Aceh and Kampung Dalam Village, Alur Selalas Village, Sub District of Karang Baru, District of Aceh Tamiang on 15-16 March 2016 <p>Numbers of input from stakeholders were clarified by PT Perkasa Subur Sakti, PT Padang Palma Permai, PT Perusahaan Perkebunan Industri & Niaga Sri Kuala - SIME DARBY Plantation Sdn. Bhd</p>
2.3.2	Stakeholder contacted
	Please find appendix 1
2.4 Determining Next Assessment	
	The next visit (ASA-4) will be determined one year after this ASA-3 (March-2017) .

3.0 ASSESSMENT FINDINGS

3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Blang Simpo POM - PT Padang Palma Permai, PT Perkasa Subur Sakti dan PT Perkebunan Sri Kuala (Sime Darby Sdn. Bhd. Group) operation consisting of one (1) mill and four (4) oil palm estates.

During the assessment, there were nine (9) Nonconformities were assigned against Major Compliance Indicator six (6) nonconformities were assigned against Minor Compliance Indicators and one (1) opportunity for improvement were identified.

MUTUAGUNG LESTARI found that Blang Simpo Factory – PT Padang Palma Permai, PT Perkasa Subur Sakti dan PT Perusahaan Srikuala (Sime Darby Sdn. Bhd. Group) complied with the requirements of ***RSPO Principles and Criteria (P&C) for the Production of Sustainable Palm Oil - April 25th, 2013. RSPO Supply Chain Certification Standard For organizations seeking or holding certification Adopted by the RSPO Board of Governors on 21 November 2014 (Module D / E for CPO Mill)***

Therefore MUTUAGUNG LESTARI Recommends RSPO Certification of compliance is **continued**.

Ref Std.	VERIFICATION RESULT of MUTU-Certification
PRINCIPLE #1 COMMITMENT TO TRANSPARENCY	
1.1	Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
	<p>(1.1.1) The procedure of information request has been written on the SOP no PI/01/V/PPP-PSK-PSS/12 which was passed on date May 1st 2015. And there are pieces of ratification from Sr Manager BSE-1, Manager BSE-2 , Manajer TME/BAE, Manager BSF. In The procedures for requesting information, there are several stages as follows:</p> <ul style="list-style-type: none"> • All letter requests for information that goes into the operating unit was addressed to operational unit manager • Letter incoming information requests will be studied and made his answer by manager • Head of the administration to draft a letter and a reply by letter requests for information from all stakeholders • All letters will answer requests for information sent to stakeholders must be signed by the operational unit manager • If the answers to requests for information made necessary approvals Head Department or other departments, it is necessary to require approval to the head of department or another department. • Answers to requests for information that have been approved by the department head or departement related (if necessary) will be returned to the operational units • Management operating unit will send a response letter to stakeholders in accordance with the adequate request. <p>Timeline for information response has been explained within Internal Memorandum No: TME-BAE/001/VI/2015, dated 1 June 2015. Timeframe periode is between 14 – 30 days, depend on the request scale.</p> <p>The certificate holder has had all the documents required under applicable regulations (such as: HGU Certificate, the document EIA / RKL / RPL, document the Study of Social and Employment) so as to provide adequate information to</p>

stakeholders related to legal matters, environmental governance, governance social, and employment. The certificate holder has a mechanism to regulate public access to documents, management units conduct regular reporting to the relevant agencies.

(1.1.2) Certificate holder already keeps records of the requests for information in the logbook stakeholders. Such as on February 2016 has request information from stakeholder as follow:

1. February 5th 2016 a letter from Workers Social Security Agency (BPJS) about a new letter of publishing BPJS in the name of RDW (employee) and companies have responded to collect data created by the personnel and approved by the head of administration and signed by manager to resend to Workers Social Security Agency (BPJS) with letter number 046/TME /P3/II/2016.
2. February 22th 2016 a letter from Labour Agency Prov Aceh about Regional Minimum Wage prov Aceh 2016 as oil palm plantation sector. With number letter 560/081/2016 and in the letter informed that the minimum wage of plantation sector is Rp 2.150.000, -

Besides requests for information also contained a request financial support from stakeholders to the company, for example requests for assistance which have been complied by the company, among others:

1. Funds for religious activities ie Prophet Muhammad's Birthday at the Regent's Office, the incoming proposal letter dated December 29th 2015 and responded on January 9th 2016 in the form of grants.
2. Funds for activities 35th Anniversary Guard at the Resort Police on 16 December 2016 and responded 18 December 2015. The assistance provided in the form of grants.

Status: COMPLY

1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

(1.2.1) The types of documents that can be accessed by the public contained in the SOP information request with No. Document PI/01/V/PPP-PSK-PSS/12.

1. Legal: Document permissions (the location permit, business license plantation, Land Use Title HGU or the documents has to do with the process of Land Use Title (HGU)
2. Environment: environmental impact assessment documents and social (IEA), environmental management and monitoring report (Report of the Environmental Management Plan / Environmental Monitoring Plan).
3. Social: Document social activities and relationships with the community one social reports and consultant Pollito, Documentation Health and Safety at Work, Documentation continuous improvement program.

Retention time the document contained in the SOP Control of records on PT PPP & PT PSK with number document 011/PC-PPP-PSK/III (March 2th 2011) at poin 6 it describes the retention period and the record incineration. For example, the document stored in the audit inspection needs a period of 5 years and of land compensation records be stored indefinitely. Based on interviews with management known there has been no activity document record incineration and every document is stored in the Estate Office and Factory Offices.

Status: COMPLY

1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

(1.3.1) The management unit shows the policy of business ethic number 440/HRM-COC/07. It was approved by the GM, SGM, HPO, and GHPI on May 24th 2007. The management unit develops the business ethic by considering the stakeholders expectation over the company and how to implement the ethic code including the monitoring, reporting and sanction over the ethic code violence. The commitments on the interaction with the stakeholders become the first priority of the company and it becomes the part of company's business ethic as well as creating the additional values. The stakeholders and its expectations are well described in detail. Furthermore, the management unit also composes the work ethic code which regulates the individuals' basic behaviour and their attitude and aptitude in and off the company. The socialization was held on January 6th, 2016. It was attended by all employees.

Status:

PRINCIPLE #2 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS
2.1
There is compliance with all applicable local, national and ratified international laws and regulations.

(2.1.1 & 2.1.2) Compliance system with all applicable laws and regulations has applied by certificate holder through the procedures of “Pemenuhan Undang-Undang dan Peraturan (RSPO/P&C.2.1/PUUP) Nomor 021/PPP-PUUP/IV/11 tanggal 12 April 2011”. Responsible person for updating laws and regulation is performed by legal staff rsपो namely Plantations Services Department in each unit (mill and estates). Certificate holder has an updating list of laws and regulations within form of Daftar Evaluasi Kepatuhan Terhadap Peraturan Negara tahun 2015-2016. Also, international ratification laws are provided, which following applicable laws in Indonesia and reference of previous RSPO standard (RSPO INA-NIWG 2008). Evaluation against laws and regulations are well updated, particularly local and regional regulations such as Peraturan Daerah Khusus Provinsi Aceh or Qanun.

(2.1.3 & 2.1.4) For the latest update in period 2015 – 2016, Plantation Permit for certificate holder has been issued by local government. The verdict of Supreme Court sentence that the legal owner right of the land dispute with other plantation company since 2010 is given to certificate holder (PT. Padang Palma Permai). Plantation Permit issued from Aceh Governor Decree Number: 525/BP2T/2524/2015, dated 30 November 2015 with cover area 1,239 ha located in Cek Mbon Village, Sub-District of Peureulak, Aceh Timur Regency, Province of Aceh. In addition, certificate holder also have a response from National Land Department (BPN RI) Region Aceh regarding the process of obtaining land use rights of its area, according to a letter from Head of National Land Department Region Aceh Timur Number: 171/6-11/II/2016, dated 17 February 2016. The letter explained that current process has delegated to Central BPN in Jakarta Office with attaching of necessary requirements.

However, certificate holder are not fully applied the applicable law requirements of Occupational Health and Safety Regulation aspects. This Non-Conformity is raised according to the field observation that Welder Operator in Tamiang Estate and Batang Ara Estate has not competency license/certificate which referred to Manpower Regulation (Peraturan Menteri Tenaga Kerja) No. 2 Year 1982. Besides, Annual Medical Surveillance for period 2015 – 2016 in both units (mill and estates) has not conducted. Auditor concludes as **raise a major non-conformity No: 2016.02.**

2.1.1
Status: Major Non-Conformity, see NCR 2016.02
2.2
The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.

(2.2.1) The land ownership status of certificate holder for mill and its supply bases is HGU (Land Use Right). Nevertheless there was a land dispute has been identified of an area covers 1,239 ha, an overlapping area with other plantation company. During ASA-3, certificate holder able to show the evidence of detail progress against resolving over the land. This progress as a follow up on the verdict of Supreme Court sentence that legal owner right of the land dispute with other plantation company since 2011 is given to certificate holder (PT. Padang Palma Permai), so that the license can be published by authorities body. A license issued by the authority bodies are: Plantation Permit issued from Aceh Governor Decree Number: 525/BP2T/2524/2015, dated 30 November 2015 with cover area 1,239 ha located in Cek Mbon Village, Sub-District of Peureulak, Aceh Timur Regency, Province of Aceh and letter from Head of National Land Department Region Aceh Timur Number: 171/6-11/II/2016, dated 17 February 2016 regarding the current process has delegated to Central BPN in Jakarta Office with attaching of necessary requirements.

(2.2.2) Related to land use, certificate holder has had the land use rights namely HGU since 1993, where the cultivated land is sourced from State Land (Tanah Negara) with no communities or customary rights within. This statement has verified by auditors during stakeholders consultation with leaders of local community and other related parties during ASA-3. Auditors observe the legal boundaries by using GPS and compare with the monitoring boundary and GPS coordinate position.

Auditor's team has gathering information with surrounding communities and villages such as: Seuneubok Lapang Village, Tualang Pateng Village, Lubuk Lapang Village, Kampung Dalam Village and Alur Selalas Village. While, the authority agencies contacted are Regional Environmental Body and Land Department of Aceh Timur Regency. Information obtained that no traditional rights or customary rights are located in plantation or certificate holder's area.

(2.2.3; 2.2.4; 2.2.5) Nevertheless there was a land conflict has been identified in Tualang Pateng Village, where the land use right of company is overlapping with community land. (2.2.6) This issue has been resolved with local government

and local affected parties. The mediation result between local government, local communities and certificate holder decides an agreement to develop of smallholder's plantation (plasma) coverage 720 Ha where located in Cek Mbon Village, Sub-district of Peureulak, Aceh Timur Regency, Province of Aceh. During ASA-03, current process of smallholder's development as far as an establishment of registered farmers/smallholders, partner cooperative and location to be developed. According to the information from management representative, Memorandum of Understanding between company and designated cooperative are still in discussion process.

Status: **COMPLY**

2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

(2.3.1) The certificate holder has had of land use rights namely HGU since 1993 upto 2011 (separately certificates). Formerly, the land status of plantation is sourced from State Land (Tanah Negara) and community land which has been compensated prior to issuance of HGU certificates. (2.3.2) FPIC and socialisation process prior to develop the plantation area and land compensation has commenced by the first company (before acquired by Sime Darby in 2001). Land compensation in that time is following approval from land ownership and community representatives, as well as acknowledge by relevant stakeholders. (2.3.3) All communications and evidences of FPIC process is available in Bahasa Indonesia.

Result from stakeholder's consultation with relevant authorities in Aceh Timur and Aceh Tamian Regency, as well as Villagers of Seuneubok Lapang, Tualang Pateng, Lubuk Lapang, Kampung Dalam and Alur Selalas during ASA-03 knows that there is no customary and/or traditional rights located within certificate holder plantation area.

Status: **COMPLY**

PRINCIPLE #3 Commitment to long-term economic and financial viability

3.1

There is an implemented management plan that aims to achieve long term economic and financial viability.

(3.1.1) Long-term plan period of 2017-2020 has been prepared and set as a reference for implementation of the operational activities of the plantation and mill described herein projection document 2017/2020, as follows:

Estates: Planted hectares, mature hectare, FFB production, yield (ton/Ha), financial aspects (cost/Ha), a description of the needs of employees and wages of employees, cost analysis direct cost and fixed cost and cost analysis to maturity.

Factory: Document of MPLAN BSF period 2015/2015 to 2019/2020 consists of: mill processing cost total and per station (IDR/ton), CPO production (tons), PK production (tons), OER (%), KER (%), FFB reception (ton) and labor costs (IDR/ton). In the document, related with long-term plans for sustainability aspect have been included in the financial aspects (cost/Ha).

(3.1.2) Replanting plans described in the document of Long Range Program 2010-2019. Replanting program for the period 2010-2019 in TME is an area of 1,317.40 ha, for example, for year of 2015/2016 has programmed area of 117.61 hectares. BSE1 replanting program to be started in 2011-2022 with a total area of 2,589.2 ha, for example the period of 2015-2016 programmed covering 345.66 ha.

Annual reviews of the replanting program carried out during the preparation of the annual detailed budget. Based on the verification of documents known replanting program and the realization that there is no difference between extents numbers on both documents. The certificate holder has put together a program according to the needs replanting per block per estate.

Status: **COMPLY**

PRINCIPLE #4 Use of appropriate best practices by growers and millers

4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

(4.1.1) Certificate holder has had their owned procedures for mill and estates. In Agronomy aspect, the procedure is referred to "Prosedur Referensi Manual Agronomi Penanaman Kelapa Sawit", or Agricultural Reference Manual (ARM) Policy No. 110/EST-ARM/08, dated 19 August 2008. While the processing activities, certificate holder consistently following the technical guidances of Mill according to Pedoman Teknik Pabrik Kelapa Sawit Bagian-1 (No. Policy:

110/POD-FAC/07) dan Bagian-2 (No. Policy: 120/POD-FAC/07). (4.1.2) To ensure an implementation of all SOP's, the Certificate Holder periodically conducting an internal audit through Plantation Advisory (Estates) and Mill Advisory (Mill). (4.1.3) All findings during internal audit is well kept in each units.

Particularly in replanting activities, certificate holder has had an Environmental and Social Impact Assessment that accompanied by AKSENTA as an appointed of third party consultant. Where the replanting activities process are implementing of mechanical and zero burning system during land preparation. Conservation aspect also considered during contour line construction, crops terracing and legume cover crop usage. As well as maintaining the old palm crops to be preserved as buffer zone along the waterbodies or waterways (crops are not replanted).

During field observation on Harvesting (Block C03, BSE-1; Block A012, TME), Manuring (Block C04, BSE-1), Weeds control (Block A011, TME) and Nursery, clearly sight that all agronomy procedures has been implemented and monitored appropriately. Monitoring records of each agronomy activities are well kept in Daily Records namely Laporan Kegiatan Harian Division, whilst the other monitoring to ensure implementation of procedures through an internal audit periodically every 6 months. Finding and notes of each internal audit are clearly explained in the Report of Plantation Advisory and Mill Advisory.

(4.1.4) Blang Simpo Factory does not receives FFB from other sources or third party supplier, all the FFB sourced from Own Estates or Certified area. According to that, Blang Simpo Factory is applied for supply chain model as an Identity Preserved in raw material traceability.

During ASA-3 field observation at Blang Simpo Factory in 15 March 2016, known that no processing activities are available. Due to insufficient FFB supplies from Own Estate because of less harvesting yield and replanting programme impact. FFB supplies approximately less than 300 MT per day.

Status: COMPLY

4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

(4.2.1) To maintain soil fertility, certificate holder consistant apply fertilizer to oil palm crops with appropriate dosage and based on recommendation result from research. (4.2.3) Leaf sampling unit and soil sample was taken periodically by Minamas Research Centre to ensuring nutrition content in palm crops. Fertilizer recommendation is one of reference during manuring activities, this result is based on soil and leaf sample.

(4.2.2) According to the data verification on fertilizing records within period July 2015 upto June 2016 (Sime Darby timeline budget) for sampling unit during ASA-3 i.e. Blang Simpo Estate-1, Batang Ara Estate and Tamiang Estate, found that actual application of fertilizer in Blang Simpo Estate-1 is not appropriate with research recommendation. For example: there was no recommendation in that period for fertilizer type of CCM 44 (12% N; 6% P; 22% K; 3% Mg), however a number of 4.90 MT of its fertilizer was applied upto February 2016. This application is prioritized for immature crops. Based on this evidence, **minor non-Conformity status No: 2016.03 was raised.**

(4.2.4) Meanwhile, certificate holder also applied of POME through land application as well as EFB application in certain permitted Blocks with appropriate volume. During ASA-03 field observation in Block A002, Tamiang Estate (replanting area), it was sighted that EFB application for immature crops has been implemented. Also for POME was applied in the permitted area.

4.2.1

Status: minor non-Conformity No: 2016.03.

4.3

Practices minimize and control erosion and degradation of soils.

(4.3.1) The company has had marginal soil map based on the report of the semi detail soil survey. It was composed by PARAM Agricultural Soil Survey (M) Sdn. Bhd. on November 2008. According to the result of soil survey, there is no marginal soil in class of ultisol, oxisol, peatland, sulfat acid and tidal. The boundary factor of the palm oil cultivation is the slope area, high erosion rate and the soil low fertility. The company also has identified the slope area in estate unit and explanation in the table below:

Slopes Level (%)	Size area (ha)				
	BAE	TME	BSE	Total	%

38-50	-	45,3	261,4	306,7	3,9
50-60	232.5	-	-	232.5	2.9
>60	270,9	-	70,2	341,1	4,3

(4.3.2) The strategies to manage the soil is based on the result of the analysis of the independent consultant (Aksenta) for period of 2014/2015 and the recommendation of semi detail soil survey which is composed by PARAM Agricultural Soil Survey (M) Sdn. Bhd on 2008. Several of the recommended strategies are:

1. Stopping the replanting program on the area with slope >40% and the area with slope <40% shall be well managed with several civil technique such as terrace construction, individual terrace construction and so on.
2. Monitoring the progress of the slope area management such as the installation of erosion pole, arrangement of frond along with the contour, planting Nephrolepis, constructing individual terrace, planting woody seed and fruit seed.
3. Planting legume cover crop such as *Mucuna* in replanting area.

(4.3.6) Based on field visit in Batang Ara estate, the estate unit has created terrace system and/or individual terrace on the area with slope >40% and frond arrangement in U-shape to reduce the erosion rate and as the effort to conserve the water and soil.

According to the field visit Block replanting Blang Simpo 2 the estate unit has planted LCC *Mucuna* in replanting area and has applied EFB in several points on the blocks. the estate unit has created terrace system and/or individual terrace on the area with slope >40% and frond arrangement in U-shape to reduce the erosion rate and as the effort to conserve the water and soil.

(4.3.3) The company has annual road maintenance as written on the report of the plan and realization of road maintenance for period of 2015/2016. based on reports of road maintenance in blang Simpo 2 is known that there road maintenance planning 294.265 meters and 187.189 meters realization of road maintenance. base on reports of road maintenance in Tamiang Estate is known that there collection road construction planning was 8031 meters and 187.189 meters realization of collection road construction. Based on the results of field visits in the Alur Selalas village knowned that the company has been carrying out repair rural roads by using greder. Based on semi-detailed soil survey and report the identification of High Conservation Value Areas (HCVA) not found peat soil at the work location PT Padang Palma Permai and PT Sri Kuala.

Status: COMPLY

4.4

Practices maintain the quality and availability of surface and ground water.

(4.4.1; 4.4.2) The certificate holder has made efforts to protect water flow / rivers that are within the operational area, among others

- Determining the riparian area for 50 meter off the left and right of the river.
- In the area of the buffer zone that has been set is not spraying or other activities related to chemicals. To mark the boundary given yellow paint mark on a palm tree 5-6 of border rivers / water flow
- Waste water generated from the factory is used as liquid fertilizer in oil palm plantations as additional nutrients for plants. Land application activity has been underway since 1995. Around the area of land application, monitoring wells have been created as a tool to monitor the quality of ground water due to the impact of the utilization of waste water into the ground
- In the buffer zone area of replanting activities defined as HCV areas are not done cutting down the palm oil trees and left naturally
- The manufacture of water bodies to maintain the availability of water during the dry season for both the employee and the source of water for the anticipated the fire

Based on field visit at replanting Block Batang Ara Estate in buffer zone area didn't cutting down palm oil tree and left naturally, on the border Sali river known companies did cutting down of palm oil trees in riparian areas that have been

designated as areas of HCV. The company carries out maintenance of water sources such as reservoirs and stream flow, maintenance activity carried out was the cleaning of water sources in the years 2014-2015 and based on the evaluation for 2016 has not needed cleaning again.

(4.4.3) The company has been monitoring the quality of liquid waste by taking samples of wastewater in the outlet WWTP, wastewater samples analyzed in the laboratory SUCOFINDO North Sumatra and the results were compared with the quality standards set out in the Decree of Minister of Environment No. 28, 2003. Results of analysis of waste water for a period of the second semester 2015 known that the quality of the waste water ranged between 1890 - 680.4 mg / liter of quality standard 5000 mg / liter thereby fulfilling quality standards. (4.4.4) Based on data from the use of clean water for the of FFB in Blang Simpo factory, discovered that the average water consumption period July 2015 until January 2016 was 0.81 m3 of water / ton of FFB. So it is still below the standards set by Mill Advisor (1.35 m3 of water / ton of FFB) and meet the economic threshold.

Status: COMPLY

4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.

(4.5.1) Integrated Pest Management has been regulated in the Reference Manual SOP Oil Palm Planting Agronomy No. Policy; 110 / EST-ARM / 13 on September 1, 2013. Inside the SOP has been explained about the pest census conducted every month for caterpillar pests and 3 months for the rat under normal conditions, crops IPM as *Turnera subulata*, *Casia* and *Antigonon*. Control using natural enemies such as the use of owls for pest control rats. Several IPM programs that have been implemented include:

1. Early warning system by conducting visual observations in the field
2. Conduct a census of some pests include: nettle caterpillars, rats, ganoderma, termites and rhino beetle
3. Conducting biological pest control, for example: the beneficial plant to control nettle caterpillars, installation pherotrapp, metharizium to control rhino beetle and installation of a barn owl box (BOB) to control rats

Control of using chemicals applied if the census results show the level of pest attack has exceeded a defined threshold.

The company has been conducting nettle caterpillars control program with the planting beneficial biological plant as described in the table below.

Jenis	Blang simpo 1	Tamiang Estate	Batang Ara
<i>Cassia cobanensis</i>	1,755 meter	11,420 meter	50 meter
<i>Antigonon leptopus</i>	586 meter	7,840 meter	65 meter
<i>Turnera Subulata</i>	9,510 meter	19,605 meter	3.970 meter

Status: COMPLY

4.6

Pesticides are used in ways that do not endanger health or the environment

(4.6.3) Based on report the control of pests and diseases in February 2016 at Tamiang estate, has been attacked Oryctes with the intensity of 35.85% and have implemented control by spraying with the cypermethrin chemical at a dose of 5 ml / ha an area of 276.68 ha. There is also the installation of pheromone (Phero Traps) with the number of 34 units. In blang Simpo 1 based on the census in January 2016 Oryctes attack occurred in an area of 7.37 ha and have implemented control by spraying with the cypermethrin chemical at a dose of 5 ml / ha.

The certificate holder has implemented training IPM on employees activities as follows:

- The company can show evidence of caterpillar pest control training on 18-19 March 2015. From the attendance list showed that the training was attended by 31 people consisting of Manager, Assistant, foreman and clerk all the estate, as well as Agronomist and employee representatives.
- The company can show evidence of ganoderma census training conducted in estate Tamiang on 12 March 2015 was Attended by 11 people consisting of Manager, Assistant, foreman and clerk all the estate, as well as Agronomist and representatives Employees.

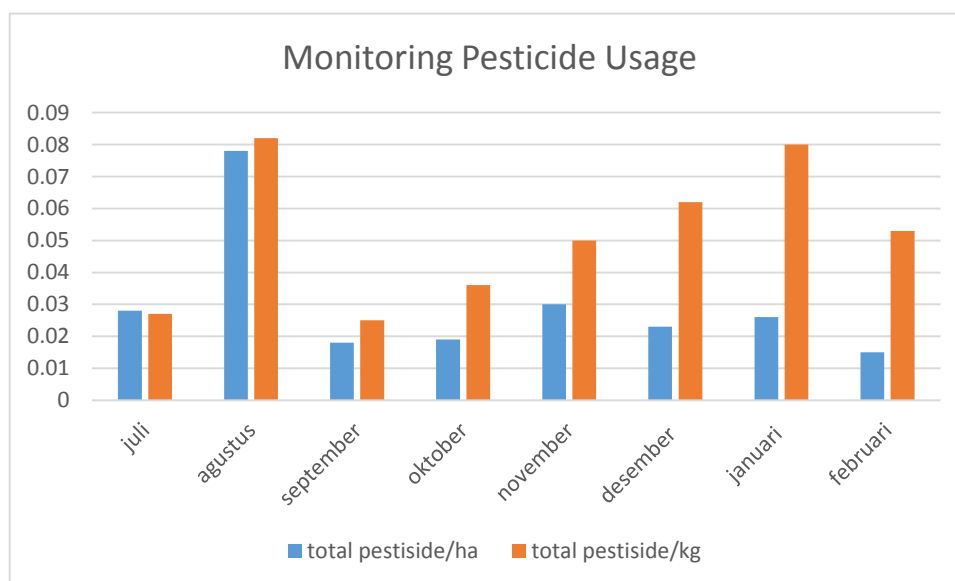
The company has the SOP related maintenance operations contained in the Agricultural Reference Manual (ARM) No. Policy 110 / EST-ARM / 13. In point 16 on weed control in general explained that pesticides used selectively to a specific

target, described the use of doses per hectare, and the dose dilution. The Company differentiates control techniques for Mature and immature plants. Immature plants are not allowed to use Glyphosate because it causes damage to the young palm canopy.

(4.6.1) Companies also use pesticide products registered with the Pesticide Commission along with the target chemicals. Pesticides are used by companies include table below:

Chemical	material Active	Register number	target chemicals
Trap 20 WP	Metil Metsulfuron	RI.1797/11-2007T	Broadleaf weeds
AMM Basta	Glufosinate	RI.01030119921113	Weed in area Immature
Inteam	Amonium glufosinat	RI 01030120072763	Narrow leaf weeds and broadleaf weeds
Capture	Cypermtrine	RI 01010120031863	control nettle caterpillars , bagworms, rhino beetle
Kenlon 480 EC	Triklopir	RI.01030120062433	woody growth
Metaprima 20 WD	Metil Metsulfuron	RI.1897/7-2008T	woody growth and Broadleaf weeds
Strane	Fluoroxypyr	RI.854/7-2009T	woody growth
Trendi	Metil Metsulfuron	RI.3161/13-2008/T	woody growth and Broadleaf weeds
Prima up	Glyphosate	RI.1779/11-2007/T	weeds
Amiphosate	Glyphosate	RI 1949/12-2008/T	grass and weeds
Dejavu	Fluroxypyr	RI 01030120103827	Broadleaf weeds

(4.6.2) Data usage of agrochemicals and pesticides monitored and summarized annually to evaluate user trends every year. Pesticide usage at PT PPP and PT PSK in July 2015 until February 2016 as described in the chart below.



(4.6.4) The company is no longer use pesticide nor chemicals such as *paraquat*, *bradifacoum* and *deltamethrin* or any chemicals categorized as type 1A or 1B (including on the convention of Stockholm and Rotterdam) once the policy in form of Memo number TME/001/VI/2010/M and memo number HPO.POD-UM-127/X/2008 dated November 4th 200. Based on a visits to the warehouse of chemicals the materials included in the list of the Stockholm and

Rotterdam Conventions, paraquat, and prophylactic use of herbicides was not found.

(4.6.5) Certificate holder has had training for sprayer employees to ensure that the application of the use of agrochemicals or pesticides carried out by trained workers. The training has been implemented is the caterpillar pest control training from 18-19 March 2015, which was attended by 31 workers. The company can show evidence of training pests and disease on 12 March 2016 was followed by 12 employees.

(4.6.7) The company has had a hazard identification document for spraying activities, provide training in how to work safely to the team sprayers, Provide adequate PPE (masks, rubber gloves, apron, boots), giving extra fooding to workers spraying, socialization marking spray on the border river. Sprayers have to know about the ban on spraying in the border river. Based on interviews with the management there were no application of chemical use through the air.

(4.6.6) The company has had a hazardous waste handling procedures contained in the SOP document number No. 020/PPP-PSS-ESH/11 date of april 1th 2011. The procedure include registration hazardous waste, criteria of hazardous waste, storage of hazardous waste packaging, hazardous waste shipments handed over to the licensed collector.

(4.6.9; 4.6.10) The company has managed the ex-pesticide and hazardous waste containers by storing it at the licensed hazardous waste storage such as PT PPP hazardous waste storage (Decree of Aceh Tamiang Regent Number 691 year 2011 dated November 14th 2011; the coordinate is N 040 03' 048" / E 0980 02' 700") and PT PSK hazardous waste storage (Decree of East Aceh Regent number 538.3/445/2013, dated June 18th 2013; the coordinate is N 040 42' 535" / E 0970 50' 447"). The ex- pesticide container is handed over to the licensed collector (CV Amindy Barokah which has achieved decree of Environment Ministry number B-11493/DEP.IV/LH/PDAL/11/2012, dated November 23rd 2012) and it is also reported to Aceh Tamiang and East Aceh District Environment Agency.

Based on the field observation in BSE1 known that there is hazardous waste stored in an unauthorized warehouse.
Nonconformity No. 2016.04

4.6.11

Company has not yet performs a specific medical examination of pesticide operator for the period 2015-2016. **See nonconformity No. 2016.05.**

4.6.12

Certificate Holder already had a policy on treatment of women workers by memorandum No. TME/002/VII/2010/M that contains about granting leave H1 (menstruation), granting leave H2 (pregnancy), prohibition of work for pregnant women and nursing related materials chemistry. Sighted social policy that endorsed by the Head Plantation Upstream Indonesia in December 2011 explaining about the prevention of sexual harassment and other forms of violence against women and protect the rights related to reproduction for women workers. Based on interviews and field observations on the activities of the spray is known that the company did not employ women who are pregnant and breastfeeding for activities related to chemicals and there's no any complaint from the workers related to exposure of chemicals either on the skin or the respiratory.

4.6.6 Status: Major non-conformance 2016.04

4.6.11 Status: Major non-conformance 2016.05

4.7

An occupational health and safety plan is documented, effectively communicated and implemented.

(4.7.1) The certificate holder's commitment to preventing work accidents and unhealthy environments on staff/employees, guests and contractors are described in documents Occupational Health and Safety policy approved by the Head Plantation Upstream Indonesia, in December 2011. Stating that Plantation Upstream Indonesia (Minamas Plantation) is committed to provide and maintain a safe working environment and healthy by implementing effective management to prevent accidents and unhealthy environments on staff / employees, contractors and guests / visitors.

(4.7.2) Based on the results of field observations, the certificate holder has implemented the OHS Policy, which are complementary work equipment and personal protection equipment (PPE) of employees in accordance with the risk of each activity, providing first aid kit and PIC of first aid at location of work and conduct of prevention of occupational accidents through training working secure a regular basis to employees.

(4.7.3) HIRAC report (Hazard Identification Risk Assessment and Control) made by the certificate holder have explained the types of risk from all operational activities in the fields and factory. The document informs the type of work, hazard,

effect, risk (E, P, R), risk control, residual risk and PIC.

Based on field observations, for example in the activities of maintenance at mill and chemicals storage in estates, it is known that employees understand the risks related with each job description and use appropriate PPE has been done.

(4.7.4) Trainings related to practices safe work has been done, training records are available and stored properly, for example training safely work for fertilizing, spraying and harvesting in the fields is done on March 12, 2016. In addition, training and simulation related with emergency response of earthquakes and fires have also been conducted, on the 16th January 2016.

The certificate holder has been providing equipment protection for employees in accordance with their respective occupational risk. Based on field observations at the boiler and power plant station in the BSF and observation of nurseries in BSE1 known that the employees have used the proper PPE. Interviews with employees known that an understanding relating to the safely working in accordance with their respective work has been adequate.

Officers who are responsible for the OHS specified in OHS Committee that was approved by the Manpower agency, as follows:

- Decree No. 560/004/2015 for PT Padang Palma Permai dated June 15, 2015, the secretary has been certified experts in OHS on behalf of Muhammad Saoloan Pasaribu with certificate no. Ser.13.1313/AK3/U/V/2013.
- Decree No. 560/003/2015 for PT Perkebunan Srikuala dated June 15, 2015, OHS Committee secretary on behalf of Zulfikar Tindaon with certificate no.reg. 22 791/PK3/AJ/31/2015 / PO
- Decree No. 766 2015 for Perkasa PT Subur Sakti - Blang Simpo Factory, dated Sept 3, 2015. Secretary on behalf of Arpan Yusir with general OHS expert certificate Reg No. 5220/PK3/AJ/31/2013/PO

The composition of the structure consists of chairman, deputy chairman, secretary, fire-fighting section, health section, security section, section of educational, section of social and public relations, section of cleanliness.

Meeting to discuss issues related to OHS done routinely every 3 months, the meeting had discussed issues related to OHS and also evaluation of the accidents that occur in the estates and mill.

(4.7.5) Procedures for handling workplace accidents document number RSPO/4.7/KKS publication date 2 April 2009, was approved by the Estates Manager and Mill Managers, describes the implementation steps of prevention and treatment of occupational accidents start off from reporting, first aid, rescue advanced, accident investigation, reporting to insurance, a review of the causes of accidents, evaluation and taking preventive action. Officers who have been trained to perform first aid treatment has available at fields in both of estate and mill. There is a certificate of first aid officer who meets the requirements and has been training, for example certificate No. 704/P3K/VIII/13, August 2013 issued by Manpower Ministry.

First aid training for foremen in TME and BAE held on January 16, 2016 with the number of participants as many as 11 participants.

Based on reports of workplace accidents owned by company, it is known that there are no significant occupational accidents. During the period of 2016 accidents that occur are minor accidents, all occupational accidents has been handled well, work accident report is available at the certificate holder's clinic.

(4.7.6) The service enforcement of the health of employees has been conducted in collaboration with the National Health Insurance (BPJS Kesehatan), the certificate holder has registered all its employees in the program and pay dues regularly every month, proof of payment of dues health insurance can be showed, for example, payment of Feb 2016 for TME was paid on March 3, 2016 by the Bank's for employees as many as 197 people.

Accident insurance provided by the certificate holder is in collaboration with Jamsostek (BPJS TK) categories Accident Insurance (JKK), Death Insurance (JK) and pension insurance (JHT). Evidence of payment can be shown as follows:

- Evidence of insurance payments of BSE1 for the period of February 2016 through the Bank Mandiri on March 3, 2016, by the number of employees 444 peoples.
- Evidence of insurance payments for the period February 2016 of TME was conducted on March 3, 2016 through the bank by the number of employees 197 people.
- Evidence of insurance payments of BSF for the period January 2016 through an Bank paid on February 18,

2016 for a staff of about 118 peoples.

Based on interviews with workers, for example, with the agrochemical mixing officer and a baby daycare officer mentioned that insurance for health and accident has provided.

(4.7.7) The recording of occupational accidents has been done in the document of recapitulation of occupational accidents report. The certificate holder can show the report for the period January to March 2016. Based on the documents verification known that there are no accidents that cause lost time. Based on interviews with officials at the clinic and verification documents for treatment visits due to accidents known that during this period accident happened just minor accidents that do not cause loss time.

Status: COMPLY

4.8

All staff, workers, smallholders and contractors are appropriately trained.

(4.8.1) Preparation of training programs conducted annually based on the analysis of training needs of employees and contractors. The company can show programs and realization of training for the period 2015/2016, among others: training/courses in English for staff/employees of offices, training of best practice (spraying, fertilizing and IPM), training of vehicle and heavy equipment maintenance for traction officers, training of system safeguards of assets and training of system of plantation administration.

(4.8.2) Reports of realization are shown in the form of minute of training along with materials, attendance list and photos. All these documents are stored and maintained properly.

Training records for all employees and contractors are recorded in the annual training summary record that have been implemented and attended by employees; records of the training have been stored and maintained by the company.

Status: COMPLY

PRINCIPLE #5 Environmental responsibility and conservation of natural resources and biodiversity

5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

(5.1.1) The company has had environment document consisted of:

1. Document of Environment Study Evaluation (SEL) of PT PPP

Based on the decree of Agriculture Ministry in RC number 220/797/B/V/1993, dated May 13th 1993 for mill and estate for 1,859.14 ha (for Batang Ara and Tamiang) and 4,236 ha for Blang Simpo and the other associated programs. The installed POM capacity is 20 ton of FFB/hour.

2. Document of Environment Management of (DPPLH) PT Perkasa Subur Sakti

Based on the decree of Environment Ministry number B-5054/Dep.I/LH/7/2010, dated July 6th 2010 for the establishment of PT PSS POM in Pereulak Sub-District, East Aceh District.

3. PT Padang Palma Permai Environmental Management and Monitoring Effort

Based on the decree of East Aceh Regent number 592.12/23/2011, dated February 14th 2011 in term of the environment permit for PT PPP estate operationals at Pereulak Sub-District, East Aceh District for 1,239 ha.

4. PT Padang Permai Environmental Management and Monitoring Effort

Based on the decree of East Aceh Regent number 538.31/651/2013 in term of the environment permit of the PT PPP estate operationals at Gampong Jengki and Tualang Pateng Village, Pereulak Sub-District, East Aceh District for 83.37 ha.

5. Document of Environment Management (DPLH) of PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala

Based on the approval of Aceh Tamian District Environment Agency number 660/ 1346 tanggal 24/09/2014. The scope of the document is the estate for ± 1,128.9 Ha

(5.1.2) In connection with the activities of replanting the company has filed a directive consideration environmental

assessment on May 11, 2015 by letter number 268 / PPP / UM / PSD / V / 2015 to the Head of the Environmental Impact Management Agency of Aceh Province. The letter responded the Ministry of Environment of the Republic of Indonesia on 29 May 2015 by the number of letters B4812 / Dept.I / LH / PDALs / 05/2013. In the letter explained, among others

1. PT Padang Palma Permai plans to conduct replanting of oil palm plantations were located in the district of Aceh and East Aceh Tamiang. This action plan has not been included in environmental documents held.
2. Plan Addendum EIA activity or a new EIA at PT PPP can coordinate with competent environmental agency was BAPEDAL Aceh Province.

(5.1.3) Companies have responded by sending a letter on 14 December 2015 No. 573 / PPP / UM / PSD / XII / 2015 to the Director of The Environmental Impact Prevention Efforts and activities of the Ministries of Environment and Forestry on the application for directives preparation of environmental documents for replanting PT. PPP

The company has been carrying out monitoring activities with evidence for delivering documents report the environmental management and monitoring plan semesters 1 and 2 to the Regional Environmental Agency and Cleanliness Aceh Tamiang. For environmental at factory, the company has been reported the environmental management and monitoring plan quarterly 1 and 2 and report hazardous waste management to the Regional Environmental Agency of East Aceh District.

The certificate holder has been monitoring the environment but unit Blang Simpo Factory (PT PSS) have not submitted reports quarterly 3 dan 4 to the authorities such as Environmental Agency of East Aceh district. Meanwhile at Batang Ara Estate (PT PSK) based on Document of Environment Management 2014 has obligation to report the environmental management and monitoring plan every semester, for year 2015 the company has not been reported the environmental management and monitoring plan to the authorities such as Environmental Agency of Aceh Tamiang District. **NCR No 2016.06**

5.1.3
Status: Minor Non-Conformity, See NCR No: 2016.06
5.2

The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced

(5.2.1) The management unit has identified HCV. It was conducted by the third party (POLLITO) on 2010. A summary of the results of the identification of HCV was as follows:

- a. Tamiang Estate (PT PPP): hectarage of HCV was 120,48 hectare and HCV value was 1.1; 1.2; 1.3; 2.3;4.2. The HCV areas such as river areas Border areas, areas with slopes greater than 40%, and forested areas.
- b. Batang Ara Estate (PT PSK): hectarage of HCV was 234,61 hectare and HCV value was 1.1; 1.2; 1.3; 2.3;4.2. The HCV areas such as river areas Border areas, areas with slopes greater than 40%, and forested areas.

(5.2.2) The Company has established HCV management program consisting of the management plan and monitoring plan

- a. conduct mark on the forest and river border as limit management operation in the field
- b. installation signpost banned hunting wild animals along the forest area
- c. enrichment planting with species has fungction to reduce the rate of erosion, stored water and animal feed source, eg ficus, bamboo. jambu hutan
- d. Restrictions on the use of pesticides in the area of 50 meters along the right and left border river
- e. The company conduct regular monitoring of the water quality, water flow and water level of the river sedimentation
- f. Monitoring of plants and animals in the HCV area periodically to determine the development of the existence of plant and animal species within the facility HCV

The certificate holder has put up posters or boards warning about the call to keep the protected species and also an area identified as forest conservation. The posters were put in place were easily read by workers and local communities, for example: at the entrance of the estate area, on a side street a block away, in the front office Divisionon, and residential. The warning boards treated annually by repairing / replacing the damaged boards.

Based on field observations in Block D08, D001, E004 in PT Perusahaan Sri Kuala, there are posters or boards warning about keeping a protected species and the area identified as forest conservation. The posters were put up in places easily read by workers and local communities. (5.2.3) The Company has not had a program and realization regularly to educate workers about the status of protected species. **NCR 2016.07**

(5.2.4) The results of flora and fauna observation report conducted in 2015, there were information in the report consist of local names and scientific names of the vegetation and protected species, the findings (found / not found), and additional information. Examples of wildlife observation in the HCV / HCV Batang Ara Estate in the area HCV number of species found six species of mammals, 4 birds, 4 species of reptiles; whereas in the HCV area Blang Simpo Estate 02, the number of species found: 16 species of birds and eight species of mammals

Based on the results of field visits in Alur river in Tamiang Estate known that the company has been managing the company according to the direction policy is to let 50 meters either side of riparian not do replanting and allowed to grow naturally. The company has been conducting the evaluation of monitoring activities have been conducted by the certificate holder. In the evaluation results known that HCV areas will continue to be preserved by doing maintenance and marking the boundary, ensure that no illegal logging, socialization to employees and local communities related hunting ban. Management of HCV area will continue to be consistent with the policy that is already committed by the management company. (5.2.5) There are no local communities adjacent ((HCV set-asides) to the HCV area companies, so there are no agreement with local communities regarding HCV.

5.2.3 Status: Minor Non-Conformity, see NCR 2016.07

5.3

Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.

(5.3.1) The Company has identified the type of waste and how the management of each type of waste. The type of waste management are described as follows

- Hazardous waste material like former diesel fuel filter, used oil, pesticide containers was stored in the hazardous waste temporary warehouse and sent to a hazardous waste licensed collector
- Water former pesticide contamination is managed by reusing as mixing ingredients of pesticides
- Domestic waste such as waste paper, plastic and organic waste was managed with stored in the soil in place landfill
- Medical waste such as used syringes, medicine bottles, managed by sent to hospital sekayuh
- Plant waste such as empty fruit bunch, POME (wastewater), managed to be used as fertilizer
- Fiber and shells are managed and utilized for fuel boilers

The company has had a record of identification of pollution and emissions in the fields and mills, among others

No	Emission sources	types of emissions
1	Land clearing	CO ₂
2	fertilizer	CO ₂ & NO ₂
3	diesel fuel	CO ₂
4	Transportation	CO ₂
5	Proses on factory	CO ₂
7	wastewater	CH ₄

(5.3.2) The management plan hazardous waste certificate holder refers to the standard procedure (SOP) No. SPO / P &

C / PLB3 April 12th, 2011. SOP describes the purpose of management, note taking and identification LB3 based on the type, characteristics and number, registration number generated hazardous waste, preparing the right packaging at a licensed temporary hazardous waste warehouse, manufacture Memorandum Shipping Materials Used and check the condition of hazardous waste. Related to permit temporary hazardous waste warehouse, the certificate holder can show SK Bupati Aceh Tamiang No. 691 of 2011, dated 14 November 2011 on the Permit for temporary hazardous waste warehouse, which is located at the coordinates of N 040 03 '048' / E 0980 02' 700 " and East Aceh Regent Decree No. 538.3 / 445/2013, dated June 18th, 2013 on the Permit for temporary hazardous waste warehouse to MCC Perkasa PT Subur Sakti, Blang Simpo, which is located at the coordinates of N 040 42 '535' / E 0970 50' 447 ".

The certificate holder in cooperation with a hazardous waste licensed collector, namely CV Amindy Barokah (Decree of the Minister of Environment No. 33 of 2011) regarding the delivery and transport of LB3. The company has sent a hazardous waste to CV Amindy Barokah on 10 March 2016.

(5.3.3) The certificate holder has to implement waste management and there were recapitulation of the production of effluent (wastewater) to land application every month. the factory has been monitoring the quality of wastewater (BOD, COD) done once a month where wastewater samples taken from the pool number 6, while for the solid waste plant (empty bunch) is used as fertilizer in plantation. The following results empty bunch application period in July – desember

- application BSE 1: 2.512 ton
- application BSE2 : 3.433 ton
- application TME : 1.314 ton

Status: COMPLY

5.4

Efficiency of fossil fuel use and the use of renewable energy is optimised.

(5.4.1) The company has had a monitoring increased efficiency of fossil fuel use as follows

	October	December	January
Diesel fuel use (liter)	4338,2	4384,8	4281,87
Production FFB(ton)	3980	3248	2693
Ratio Diesel fuel (liter)/production of FFB(Ton)	1.09	1.35	1.59

Optimization of renewable energy that has been implemented is the use of fiber and shells as fuel for the boiler that turns the turbine to generate electricity. Production of electricity from the turbine replaces electricity from generators operated by diesel fuel. Results of implementation and monitoring are as follows

	October	December	January
Fiber and shells (ton)	167,16	136,41	113,10
Production FFB(ton)	3980	3248	2693
Production KWH	167	136	113
Saving diesel fuel (liter)	33,4	27,2	22,6

Status: COMPLY

5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN guidelines or other regional best practice.

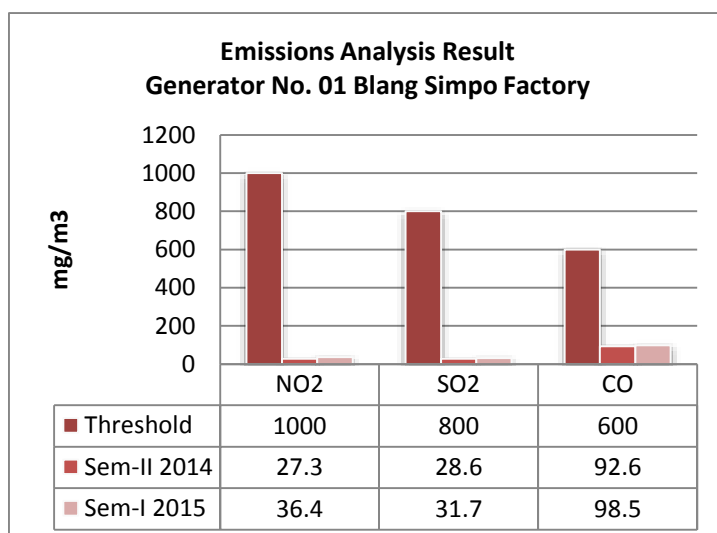
(5.5.1; 5.5.2) The certificate holder has a policy of preparation (opening) land by zero burning arranged in Agricultural Reference Manual (ARM) Policy No. 110 / EST-ARM / 08, Section 3. Procedure explained that land clearing technique done mechanically. Based on visits and observations to the Block replanting year 2013/2014 in Divisionon 1 (Block A006, A007) in Tamiang Estate, the certificate holder has done mechanically replanting activities. The company also has installed signs warning signs ban burning of the field.



Replanting Area at Block A006 Tamiang Estate

 Status: **COMPLY**
5.6
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

(5.6.3) Monitoring of pollution and emissions generated by Mill activities, certificate holder has applied of air quality analysis periodically. This analysis was conducted by national accredited laboratory to measuring pollutant sources in the Mill. Result of air quality analysis from Generator Number 01 Blang Simpo Factory within period 2nd Semester in 2014 (July-December) and 1st Semester in 2015 (January-June) as follows:



All the indicators of GHG sources emission from generator unit is under threshold.

Certificate holder has had working instruction of Carbon Estimation in Oil Palm Plantation namely Instruksi Kerja Pendugaan Neraca Karbon di Perkebunan Kelapa Sawit (No: PNKPKS/31/PPP-PSK-PSS/V/2012, tanggal 1 Mei 2012).

(5.6.1; 5.6.2) However, the certificate holder does not have an identification of sources emissions, type of pollutant and type of emitter's activities for both Mill and Estates. Also, the planning, target and timeline to reduce and minimizing emissions from Mill and Estates activities are not available in place. This is **Non-Conformity No: 2016.08**.

Besides that, the certificate holder has not yet calculates the estimation of GHG emission using RSPO PalmGHG tools and reporting to the RSPO periodically. **Non-Conformity No: 2016.09**.

 5.6.2
5.6.3

 Status: **Minor Non-Conformity, see NCR No: 2016.08 & 2016.09**
PRINCIPLE #6 Responsible consideration of employees and of individuals and communities affected by growers and mills
6.1
Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made,

implemented and monitored, to demonstrate the continuous improvement.

(6.1.1) The Certificate holder has had Report of Social Impact Assessment on Oil Palm Plantation Management which conducted by third party consultant namely POLLITO in 2010. Scope of the assessment covers of PT. Padang Palma Permai (Tamiang Estate, Blang Simpo-1 Estate, Blang Simpo-2 Estate) and PT. Perkebunan Sri Kuala (Batang Ara Estate). Field assessment was held in November upto December 2009.

The methodologies were used through the Assessment of Social Risk Status in Oil Palm Company. Identification of Risks factor i.a:

1. Oil Palm Production Cycles
2. Responsiveness Management in Oil Palm Company
3. Social Programme in Oil Palm Company
4. Resources Use for Food, Energy, Clean Water and Community Livelihood
5. The Territorial Dynamics of surrounding oil palm plantation

(6.1.2) These social assessment also involving the affected parties in 5 January 2010, it can be proved based on attendant lists.

(6.1.3) Based on stakeholder consultation with surrounding communities in villages of Seuneubok Lapang, Tualang Pateng, Lubuk Lapang, Kampung Dalam and Alur Selalas, known that no evidence of social impact planning and programme which made for year 2014-2015 and 2015-2016, also participation involvement with affected parties during development of its programme are not provided. **Non-Conformity No: 2016.10.**

(6.1.4) In addition, the certificate holder has fail to proved that its programme has been reviewed periodically minimum once every 2 years. **Non-Conformity No: 2016.11.**

(6.1.5) Nevertheless, a particular attention from certificate holder related to development of smallholder's scheme (plasma) with area covers \pm 720 Ha located in Gampong Cik Mbon, Sub-District of Peureulak, Aceh Timur Regency is almost finalised. Currently, progress of smallholder's development already in stage of establishment of registered farmers/smallholders; designated partner cooperative namely Cooperative Pentagon and location to be developed. All of this process has been determined by Regent of Aceh Timur.

6.1.3
Status: Major Non-Conformity, see NCR No: 2016.10
6.1.4
Minor non-conformity, see NCR No: 2016.11
6.2
There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

(6.2.1) Procedure communication and consultation with the communities the estate described in SOP Communications / Consultation with Communities (RSPO / 6.2 / KKM). In the SOP set of communication and consultation with stakeholders, The procedure explained

- If there is something that would communicate with the public via the manager unit. Kasie should record the incoming mail in the Communications Register or guide book consultation with the community.
- Manager units provide maximum limit of 10 days for the public to respond to the letter.
- Manager unit reanalyzed letter of response from the public.
- If necessary, unit manager inviting representatives of such communities to communicate directly.
- If the response is beyond the limits of authority manager unit, the unit manager deliver the response to the head of department.
- After obtaining the approval of the Department Head and or the relevant Department (if necessary) will be returned again keunit operational.
- Management of the operational unit will send an answer to the public.

(6.2.2; 6.2.3) The certificate holder has a special officer responsible for consultation with local communities and government as PR (Staff Plantation Services Department). The company has a list of stakeholders district of Aceh Tamiang

- 12 village administration, 2 sub-district 1 district office
- 15 Government agencies
- 2 non-governmental organization
- 2 Custom leader
- 4 buyer
- 6 contractor
- 3 vendors
- 8 educational institutions

Status: COMPLY

6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.

(6.3.1; 6.3.2) The certificate holder has transparent system within disputes resolution or grievances from affected parties. These system made in several procedures i.a: Procedure of Community Complaints (SOP Keluhan Masyarakat: KK/05/V/PPP-PSK-PSS/12); Procedure of Workers Complaint (SOP Keluhan Karyawan: KK/06/V/PPP-PSK-PSS/12); Procedure of Communication and Consultation with Community (SOP Komunikasi/Konsultasi dengan Masyarakat: KKM/07/V/PPP-PSK-PSS/12).

Flow process of complaints delivering, timeline, resolution method, recording/documentation and responsible person are clearly described in the procedures. However, guarantee to ensuring anonymity of complainants and whistleblowers (where requested) is not available in the procedures. This is also confirmed during an interview with affected parties like workers and communities. **Non-Conformity No: 2016.12.**

6.3.1

Status: Major Non-Conformity, see NCR No: 2016.12

6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

(6.4.1; 6.4.2) Mechanism of conflict resolution and FPIC process related with land disputes has been described in the Procedure of Compensation on Occupied Land or Prosedur Pembebasan Lahan Okupasi (No: 343/PSD-OKUP/11, 23 Feb 2012). A few steps of resolution includes:

- Land acquisition should be based on Final Map of Land Occupied or **Peta Master Okupasi "Final"** which has been identified the size of area to be compensated, including attachment of an actual land condition pictures from GPS measurement and technical feasibility survey by MRC Department.
- Map of Land Occupation were discussed and determined in the Regional level meeting.
- Land Committee will determine of priority scale with the land occupation were located that ready to be compensated and **maximum budget price for compensation value.**
- Land compensation to be negotiated between Estate Manager and the land owner, as well as witnessed by villages official or relevant parties/authorities.
- **Minutes of Negotiation** should be made and record in every negotiated agreement.
- All the documents required should be signed officially by Land Owner, Company Representatives, Head of Subdistrict or legal counsel and Head of Villages before compensation payment.
- Payment of Land Compensation must be witnessed by company staff/representatives, head of villages, head of subdistrict/legal counsel, Chief of Regional Military and Chief of Regional Police Department.

(6.4.3) Land disputes between certificate holder and other plantation company (PT. Para Sawita) in 2010 of an area 1,239 Ha has been resolved through Judicial Review by Supreme Court. The verdict of Supreme Court sentence that the legal owner right of the land dispute is given to certificate holder (PT. Padang Palma Permai), so that the Plantation Permit was issued in 2015 from Aceh Governor Decree Number: 525/BP2T/2524/2015, dated 30 November 2015.

Status: COMPLY

6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

(6.5.1) Wages of employees is based on the provisions of Aceh Governor No. 60 Year 2015 about minimum wages in province of Aceh period of 2016, through the Inter Office Mail of GM HRM, the company establishes a revision of wages structures for permanent daily paid workers (SKU H) and monthly paid workers (SKU B) period in 2016 for the region of Aceh (PT PPP, PT PSK and PT PSS), letter number 009/RSP-i2/I/2016 dated January 22, 2016. Wages are in accordance with the applicable regulations, such as labor class of 1G (lowest class) is equal to minimum wages of province (UMP).

Companies showed evidence of payment of wages in the form of documents salary recapitulation, for example, the period of February 2016 describes components of wages paid, among others: earnings (basic wages, overtime, rappel), insurance benefits, rice, gross wages, income tax, allowances, number of reduced and wages paid. Interviews with workers, for example, FFB grading officers and baby day care officers mentions that the wages received by employees in accordance with applicable regulations, employees understand the provision of wage set by the government.

(6.5.2) Employment law which describes the payment and working conditions indicated in the documents of collective labor agreement (PKB) period of 2015 to 2017 between the BKS-PPS with PP.FSP.PP.SPSI approval No. 88 / PHIJSK-PKKAD / PKB / VI / 2015 by the Director General PHIJSK date June 18, 2015. Things that are described in the document include: acknowledgment of the organization, recruitment, working hours, salary, contract of work, support of hospital, absence, payment of meal and mandah (travel), overtime, provisions on premiums, allowance of religious celebrations, social security, work equipment, safety and health, pension, workers from outside the region, type of work, and fired. Based on interviews with workers in the field, for example, FFB harvester and FFB Grader known that a copy of the PKB has been owned by each employee.

(6.5.3) The company has been providing facilities and infrastructure to improve the welfare of employees, such as decent housing, lighting facilities, places of worship, educational facilities (kindergarten, primary and secondary), water supply systems (in the 2015-2016 budget program) and child care facilities (daycare). The service enforcement of the health of employees has been conducted in collaboration with the National Health Insurance (BPJS Kesehatan), the company has registered all its employees in the program and pay dues regularly every month, proof of payment of dues health insurance can be showed, for example, payment of Feb 2016 for TME was paid on March 3, 2016 by the Bank's for employees as many as 197 people.

(6.5.4) Based on interviews with employees at the housing of BSE1 Divisionon 1 and TME Divisionon 1, stated that the that the facilities provided by the company adequate and decent for employees.

Based on interviews with employees, for example, employees in the housing Divisionon 1 BSE1 and daycare officers known that currently employees can access to source of sufficient food at an affordable price. The distance between the housing of employees with the nearest market is about 1 hour drive. The Company has also made efforts to provide permission to vend for traders in estates every month when payday employees. Based on field observations it is known that there are groceries stores are in earned by employees in a residential neighborhood.

Status: **COMPLY**

6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

(6.6.1) Disclosure statement for freedom of association contained in documents of collective labor agreement (PKB) period of 2015 to 2017 between the BKS-PPS with PP.FSP.PP.SPSI approval No. 88 / PHIJSK-PKKAD/PKB/VI/2015 by the Director General PHIJSK date June 18, 2015, the document is written in Indonesian. In Article II stated that the company recognizes BKS-PPS representing of FSP PP-SPSI as a labor organizations. It also said that employers and unions will go hand in hand in creating order, peace and tranquility in business and work. There is a memorandum of Estate Manager of TME/BAE which states that every worker/laborer has the right to form and become members of the union, the company does not impede and respect the right of employees associated with it.

(6.6.2) Records of all meetings between unions (PUK SPSI estates and mill) with the company has been stored and maintained properly. Based on interviews with board members of SPSI known that so far the relationship between the SPSI with the company is very well, the aspirations of employees delivered through SPSI responded well by the company. Results of the interview is available in summary of public consultation with stakeholders in section 3.5 on this report.

Status: COMPLY	
6.7 Children are not employed or exploited.	
<p>(6.7.1) Policies related to employee age requirements described in the document of Head Plantation Operation Memorandum No. POD-UM-052/III/2010 dated March 24, 2010 about child's protection policy. In the points of 3 states that the company prohibits using underage labor in accordance with the applicable national regulations.</p> <p>Based on field observations and document verification on list of employees known that the company does not employ children with age under 18 years, such as visits to spraying activities in and harvesting activities in BSE1 and TME/BAE.</p>	
Status: COMPLY	
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	
<p>(6.8.1) The company has had a social policy that was approved by the Head Plantation Upstream Indonesia in December 2011. Several things are designated as the company's commitment, one of which is the fair treatment of all staff in matters relating to recruitment, promotions, restrictions and working conditions without regard to personal issues such as race, degrees, ethnicity, gender, skin color, physical, organizational membership, political views, religion or age.</p> <p>The policy has been socialized to employees in every muster morning and has been displayed in each office of mill and estates.</p> <p>(6.8.2) Based on interviews with workers in the field known that the company does not discriminate against workers and groups based on race, class, religion and organization. All workers are treated equally in terms of acceptance and improved career paths.</p> <p>(6.8.3) Mechanism of recruitment and promotions set forth in the document of labor agreement period of 2015-2017. Recruitment described in article III, new workers must go through a trial period of 3 months. The selection is based on the needs of company, administration selection, medical selection and skill.</p> <p>Based on interviews with management representatives, mentioned that the process of promotion of employees based on the company's needs and the results of the annual assessment of employees. The company can show the results of employee assessments BSF for 2014/2015 period, in the report there is a valuation parameters include: assessment of attendance, achievement assessment (ability, responsibility, honesty, discipline, loyalty, hard work and a sense of belonging) and justification of the increase in grade. In the report there are as many as 5 employees who obtain promotions based on annual appraisal.</p>	
Status: COMPLY	
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	
<p>(6.9.1) Social policy has been endorsed by the Head Plantation Upstream Indonesia in December 2011 has explained the company's commitment related to issues of social, one of which is about developing and implementing a policy for preventing sexual harassment and forms of other violence against women and protect the rights relating to reproduction for women workers.</p> <p>In addition there are also policies on Gender stating that the company will attempt to prevent sexual harassment, formed a mechanism for special complaints, carry out training and development related to gender and established a gender committee. The policy has been socialized to employees in every muster morning and has been displayed in each office mill and estate.</p> <p>The company has established a committee of gender as a place of aspirations of women workers with a composition consisting of a chairman, secretary, treasurer section, religious section, social section, and section of health and sports.</p> <p>Based on interviews with the chairman and board of gender committee of TME/BAE known that until now there has never been reports related sexual harassment and violence against women employees.</p> <p>(6.9.2) In the document of social policy also describes the development of mechanism, implementing of mechanism and prevention of sexual harassment and other forms of violence against women and protect the rights pertaining to reproduction for women workers. The policy been socialized to employees in every muster morning and have been</p>	

displayed in each office of mill and estates.

Based on interviews and field observations on the activities of the spraying is known that the company did not employ women who are pregnant and breastfeeding for activities related to chemicals.

(6.9.3) The company has had a guiding document of implementation of gender policy, document number 701/TQEM-ESH/10, in part of the complaints procedure has been described a mechanism to communicate complaints started off reporting by filling out the form up to disciplinary action taken by the management if convicted. In section 7 of the particular circumstances explained that all cases of sexual abuse confidentially managed well by the parties involved.

Socialization related with this mechanism and PIC whose are responsible has been conducted regularly every month during meetings with gender committee. Based on interviews with employees stated that the mechanisms for reporting complaints of sexual harassment and violence against women and the PIC will handle the process has been known.

Status: **COMPLY**

6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

(6.10.1) The Company did not receive and process the FFB from other sources (external FFB). The entire FFB processed in the mill comes from its own estates.

(6.10.3) The company can show local business contract agreement for example contract No. TME/LKL/2015/ XII/20-DT dated December 4, 2015 and contract No. BAE/LKL/2015/XII/05-DT dated December 4, 2015. The contents of the contract has describe the rights and obligations of the company and contractors such as job type, time period, price and payment mechanisms, the contract signed by both parties, equipped with the stamp as a form of legality of the agreement.

Based on interviews with contractors, for example with transporter of FFB in TME mention that a copy of the agreement has been owned by each contractor, preparation and adoption of the agreement was based on mutual agreement, including in terms of pricing and time of payment.

All payments of work submitted to third parties (contractors) had been paid by the company in accordance with a defined time period. The mechanism and timing of payments specified in agreement is a maximum of 30 days after invoice from the contractor has been sent to the company.

(6.10.2) The company can show evidence of payment of FFB transporting agreement No. SPK.TME/LKL/2015/XII/18-DT and SPK.TME/LKL/2015/XII/19-DT, jobs period from January 1 to January 31, 2016. Billing by contractors have been sent on the 1st Feb 2016 and paid by the company on February 18, 2016, there is the Bank Voucher No. BVA/TME/14 and evidence of deposit through the bank to the account of the contractor. (6.10.4) Based on interviews with the contractors mentioned that the company had made payments of work in accordance with the amount of work and due date.

Status: **COMPLY**

6.11

Growers and millers contribute to local sustainable development wherever appropriate.

(6.11.1) CSR programs that had been developed by the company for the period of 2015-2016 consists of social aid and sports, educational and religious aspects and aspects of public infrastructure, preparation of programs is conducted by regular religious activities and national activities done by the community. In addition, the program also draws on the incoming proposal from the community for example a period of 2016 there are the incoming proposal related with request of gravels submitted by the Madang Ara Village on 23 Jan 2016. However the program has not been based on consultation and communication with the villagers. **See nonconformity No. 2016.13.**

Realization of CSR that have been made during the period 2016 so far is based on community proposals submitted to the company. During the period of 2016 (Jan and Feb) has been realized as many as 6 items for contribution to local development. In addition, related to contributions to local development, the company has made a tax payments routinely, for example, the tax payment period of 2015 paid on 30 Sept 2015 transferred by bank to the tax office of Pratama Langsa.

(6.11.2) Based on the IUP document, the company has no obligation to build smallholdings. Refer to indicator minor 6.1.5

6.11.1	Status: minor non-conformity, see NCR No. 2016.13	
6.12 No forms of forced or trafficked labour are used.		
(6.12.1) Based on interviews with employees and verification on the list of employees, known that the company is not using trafficked or forced labor. The entire labor used by the company comes from the surrounding villages. (6.12.2) There is no substitute contract between the company and the employees. The entire contract of employment has been described before work started; the employee mentioned that the type of work at the time of admission and when the work began is same. (6.12.3) PT PPP, PT PSS and PT PSK do not use migrant labor, the entire labor came from the villages around the plantation. There is no temporary labor, the entire workforce consisting of permanent daily paid and monthly paid. The Company has policies and procedures permits for foreign labor, policy No. 371/ADM-PTA/08 dated March 13, 2008, the SOP describes the provisions on the use and recruitment of foreign labor.		
	Status: COMPLY	
6.13 Growers and millers respect human rights		
(6.13.1) The Company has not yet prepared and established a policy regarding respect of human rights. See nonconformity No. 2016.14		
6.13.1	Status: Major Non-Conformity, see NCR: 2016.14	
PRINCIPLE #7 Responsible development of new plantings		
7.1 A comprehensive and participatory independent social and environmental assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.		
There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE. The current SEIA document is still available in place. Refer to Criteria 5.1 and 6.1 above.		
	Status: NOT APPLICABLE	
7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.		
There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.		
	Status: NOT APPLICABLE	
7.3 New plantings since November 2005, have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values.		
There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.		
	Status: NOT APPLICABLE	
7.4 Extensive planting on steep terrain, and/or on marginal and fragile soils, is avoided.		
There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.		
	Status: NOT APPLICABLE	

7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	
	There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.	
	Status: NOT APPLICABLE	
7.6	Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	
	There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.	
	Status: NOT APPLICABLE	
7.7	Use of fire in the preparation of new plantings is avoided other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	
	There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE.	
	Status: NOT APPLICABLE	
7.8	New plantation developments are designed to minimise net greenhouse gas emissions.	
	(7.8.1; 7.8.2) There were no new planting since November 2005. Planting year starting 1982 – 1997, replanting activities started from 2011 – 2016. This Criterion is NOT APPLICABLE. The certificate holder does not have any new development area. Ongoing activities that was observed during ASA-03 is replanting for crops year of planting 1979 – 1982. Estimated Carbon assessment of certified units is following and referred to Criteria 5.6 which using RSPO PalmGHG Calculator, because mill and estates has been established.	
	Status: NOT APPLICABLE	
PRINCIPLE #8 Commitment to continuous improvement in key areas of activity		
8.1	Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	
	Continuous improvement that applied by CH is: <ol style="list-style-type: none"> 1. Maintaining of buffer zone area during replanting activities. Oil Palm Trees are kept retained (not cleared/replanted) within 5 palm trees in both river/watercourse sides. 2. No use of fire during replanting activities. 3. Social Impact Assessment in relation of Replanting activities. <p>The certificate holder has not fully implementing of continual improvement on environmental and social impact aspects. These is related with:</p> <ol style="list-style-type: none"> (1). Pesticides Waste Management (Criteria 4.6 and 5.3), referred to Non-Conformity No: 2016.04. (2). Reporting on Management and Monitoring of Environmental Impact (Criteria 5.1), referred to Non-Conformity No: 2016.06. (3). GHG Pollution and Emissions (Criteria 5.6), referred to Non-Conformity No: 2016.08. (4). Planning/Programme of Social Impact (Criteria 6.1), referred to Non-Conformity No: 2016.10. 	

MAJOR 8.1.1	Status: NOT COMPLY	
--------------------	---------------------------	--

3.2 Summary of Assessment Report of Supply Chain Requirements

Clause	(Module D) CPO Mills – Identity Preserved Requirements
D1	Definition D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable. Blang Simpo Factory applied for supply chain model IP, because all the FFB's sourced from Own Estates with RSPO Certified Area. This can be proved with the record of FFB receives during period 3rd May 2015 – 12th March 2016. Status: COMPLY
D.2	Explanation D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report. The all estimated certified product CSPO and CSPK are available in Basic Information of Assessment Report and referring to previous Certificate Annexes. During surveillance assessment, auditor team doing verification of appropriateness data record between an actual receiving and output material with claimed as certified products. Status: COMPLY
	D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). Blang Simpo Factory has been complied with supply chain requirements according to RSPO IT Platform. Auditor team doing verification against membership of Mill through the eTrace system traceability. Blang Simpo Factory has been registered in the RSPO IT Platform with member ID: RSPO_PO1000000706 and account UID: RSPO_AC1000000734. Status: COMPLY
D.3	Documented procedures D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements in these requirements; The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard. <ol style="list-style-type: none"> Updated procedures: SOP of Supply Chain System for Identity Preserved Product (Policy No: 028/PPP,PSK,PSS-SCCS/15) version 02, dated 17 March 2016. These procedure has covered all requirements in Modul-D, i.a: Scope of Procedure, Reference of Procedure (has been updated with the new supply chain standard), Flow Process of IP Model, Supply Chain Requirements, Responsible Persons, Identification of Raw Material and Product, Delivering of Product, Certain Condition, Administration and Annexes of Modul-D. Responsible persons to ensure the implementation of its procedure at Blang Simpo Factory are Factory Manager and PSQM Officer. During ASA-03 interview at Mill, these responsible persons are able to explain and provide the

data of receiving and processing of certified material.

Status: COMPLY

D.3.2

The site shall have documented procedures for receiving and processing certified and non-certified FFBs.

Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. The available procedure is SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No: 028/PPP,PSK,PSS-SCCS/15) revisi 02, tanggal 17 Maret 2016. In the section of Particular Condition on its procedure, also described that:

- (1). For the certain condition, if the Mill having sales of FFB to outsider/third party, then the guidance should be refer to SOP Penjualan TBS (No. Policy: 502/MKT-TBS/07).
- (2). For the certain condition, if the Mill having purchase/delivering of certified CPO (CSPO) from affiliate Mills (1 group, different companies) with interco system, then supply chain system used should be the same model (such as IP with IP).

Status: COMPLY

D.4

Purchasing and goods in

D.4.1

The site shall verify and document the volumes of certified and non-certified FFBs received.

Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. Production Data of Mill and Estates within period 3rd May 2015 – 12th March 2016 as follow:

Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
3 s/d 31 Mei'15	1444.38	2084.98	1087.60	753.94	5370.90	5370.90	5907.23	1227.45	209.06	2103.46	104.08	20.78	3.54
Juni'15	1863.67	2723.79	1128.96	775.47	6491.89	6491.89	6555.44	1380.02	234.57	1348.98	364.28	21.05	3.58
Juli'15	2048.22	3229.28	1152.28	668.76	7098.54	7098.54	6769.93	1422.16	244.62	1253.48	164.54	21.01	3.61
Agustus'15	3126.53	3755.78	1307.47	610.17	8799.95	8799.95	8736.87	1953.34	335.59	1437.86	235.38	22.36	3.84
September'15	2061.29	2590.89	923.93	468.87	6044.98	6044.98	6384.06	1433.49	242.08	2012.03	311.88	22.45	3.79
Oktober'15	1580.36	2277.95	894.90	336.66	5089.87	5089.87	5068.31	1165.94	219.95	681.32	528.98	23.00	4.34
Nopember'15	1172.07	2277.95	787.73	389.21	4626.96	4626.96	3980.99	878.06	177.05	736.05	158.86	22.06	4.45
Desember'15	934.17	1459.01	649.21	242.66	3285.05	3285.05	3148.37	682.18	141.55	1426.09	143.00	21.67	4.50
Januari '16	809.46	1084.86	497.27	207.69	2599.28	2599.28	2693.72	582.36	116.90	56.93	33.19	21.62	4.34
Pebruari'16	597.30	811.90	722.51	178.55	2310.26	2310.26	2354.01	498.96	86.12	737.88	66.16	21.20	3.66
1 s/d 12 Mar'16	325.28	342.22	296.77	82.97	1047.24	1047.24	999.96	210.76	35.42	55.33	0.00	21.08	3.54
Total	15962.73	22638.61	9448.63	4714.95	52764.92	52764.92	52598.88	11434.72	2042.89	11849.41	2110.35		
Average	1451.16	2058.06	858.97	428.63	4796.81	4796.81	4781.72	1039.52	185.72	1077.22	191.85	21.66	3.93

Status: COMPLY

D.4.2

The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

According to Certificate Annex MUTU-RSPO/026 period 3rd May 2015 – 2nd May 2016:

FFB Certified: 66,506 MT

CSPO: 14,299 MT

CSPK: 2,860 MT.

Actual production within period 3rd May 2015 – 12th March 2016:

FFB Certified: 52,764.92 MT

CSPO: 11,434.72 MT

CSPK: 2,042.89 MT

Certified product is below than projected estimation.

	Status: COMPLY												
D.5	Record keeping												
D.5.1													
The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.													
Production Data of Mill and Estates, as well as certified product deliveries with three monthly bases, period 3rd May 2015 – 12th March 2016 as follow:													
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
3 s/d 31 Mei'15	1444.38	2084.98	1087.60	753.94	5370.90	5370.90	5907.23	1227.45	209.06	2103.46	104.08	20.78	3.54
Juni'15	1863.67	2723.79	1128.96	775.47	6491.89	6491.89	6555.44	1380.02	234.57	1348.98	364.28	21.05	3.58
Juli'15	2048.22	3229.28	1152.28	668.76	7098.54	7098.54	6769.93	1422.16	244.62	1253.48	164.54	21.01	3.61
sub-A	5356.27	8038.05	3368.84	2198.17	18961.33	18961.33	19232.59	4029.64	688.24	4705.92	632.90	20.95	3.58
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
Agustus'15	3126.53	3755.78	1307.47	610.17	8799.95	8799.95	8736.87	1953.34	335.59	1437.86	235.38	22.36	3.84
September'15	2061.29	2590.89	923.93	468.87	6044.98	6044.98	6384.06	1433.49	242.08	2012.03	311.88	22.45	3.79
Oktober'15	1580.36	2277.95	894.90	336.66	5089.87	5089.87	5068.31	1165.94	219.95	681.32	528.98	23.00	4.34
sub-B	6768.18	8624.62	3126.30	1415.70	19934.80	19934.80	20189.23	4552.77	797.61	4131.21	1076.24	22.61	3.99
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
Nopember'15	1172.07	2277.95	787.73	389.21	4626.96	4626.96	3980.99	878.06	177.05	736.05	158.86	22.06	4.45
Desember'15	934.17	1459.01	649.21	242.66	3285.05	3285.05	3148.37	682.18	141.55	1426.09	143.00	21.67	4.50
Januari '16	809.46	1084.86	497.27	207.69	2599.28	2599.28	2693.72	582.36	116.90	56.93	33.19	21.62	4.34
sub-C	2915.70	4821.82	1934.21	839.56	10511.29	10511.29	9823.08	2142.60	435.50	2219.07	335.05	21.78	4.43
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
Pebruari'16	597.30	811.90	722.51	178.55	2310.26	2310.26	2354.01	498.96	86.12	737.88	66.16	21.20	3.66
s/d 12 Mar'16	325.28	342.22	296.77	82.97	1047.24	1047.24	999.96	210.76	35.42	55.33	0.00	21.08	3.54
sub-D	922.58	1154.12	1019.28	261.52	3357.50	3357.50	3353.98	709.72	121.54	793.21	66.16	21.14	3.60
For the records of CSPO and CSPK despatch, please refer to attachment file in this report.													
	Status: COMPLY												
D.6	Processing												
D.6.1													
The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage													
Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. For the records of dispatch CSPO and CSPK, please refer to attachment file in this report.													
	Status: COMPLY												
D.6.2													
The objective is for 100 % segregated material to be reached													
Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. According with these, Estates and Mill have been achieved 100% to generate of certified products.													
	Status: COMPLY												

3.3 Conformity Checklist of Certificate and Logo Use (*only apply for Surveillance Assessment Report*)

1.	Evidence of permission or approval certificate and logo from Certification Body which submitted by Client	X or√
ASA-3	Sime Darby Plantation Sdn. Bhd. has RSPO Trademark License with number RSPO-1106024. During ASA-3, auditor team has no found of RSPO Trademark Uses and CB's logo.	
	Status: COMPLY	
2.	Implementation of certificate and logo used by Client comply with size and type (shape) against Guideline of Logo Use	X or√
ASA-3	Sime Darby Plantation Sdn. Bhd. has RSPO Trademark License with number RSPO-1106024. During ASA-3, auditor team has no found of RSPO Trademark Uses and CB's logo.	
	Status: COMPLY	
3.	Implementation of Certificate and Logo is not used on product	X or√
ASA-3	Sime Darby Plantation Sdn. Bhd. has RSPO Trademark License with number RSPO-1106024. During ASA-3, auditor team has no found of RSPO Trademark Uses and CB's logo whether or not on/off product.	
	Status: COMPLY	
4.	Controlling of Certificate and Logo, including withdrawing inappropriate logo.	X or√
ASA-3	Sime Darby Plantation Sdn. Bhd. has RSPO Trademark License with number RSPO-1106024. During ASA-3, auditor team has no found of RSPO Trademark Uses and CB's logo whether or not on/off product.	
	Status: COMPLY	

3.4 Summary of RSPO Partial Certification

Management unit(s) observed: PT Guthrie Pecconina Indonesia (KKPA Sungai Jernih), SUMATERA SELATAN		
2.1	There is compliance with all applicable local, national and ratified international laws and regulations.	X or√
	<p>There are some evidence of legal compliance that cover:</p> <ol style="list-style-type: none"> 1. Legal land ownership based on law No. 5 in 1960 related to the substantial agriculture issues, which is the HGU certificate No. 664/2003, 552/2003 for an area of 10,139.91 ha. 2. Providing manpower social insurance, in a form of Jamsostek based on law No. 3 in 1992. 3. Providing occupational health and safety tools for the entire personnel based on law No. 1 in 1970. 4. There is an environment document development progress (environment management plan/ environment monitoring plan) based on law No. 23 in 1997. 5. Preparing land clearing process with zero-burning approach No. 18 in 2004. 6. Does not discriminating personnel based on No. 21 in 1999 – ratification of ILO on anti discrimination has been stated in work agreement/ work contract. 7. Allocating some part of the area, which should be protected as protected area based on President Decree No. 32 in 1990 and law No. 41 in 1999 related to forestry. (Identification of HCV by Aksenta in July 2012). 8. Paying salary above the applicable minimum wage standard. <p>Related to company's compliance toward the applicable land ownership regulation, environment and social management, manpower protection, report submission, some related agencies (for instance: environment agency in Musi Banyuasin District, government in Musi Banyuasin District, and Plantation and Forestry Agency in Musi Banyuasin District) mentions that GPI has complied and consistent on the applicable regulation.</p>	√
	Status: COMPLY	
2.2	The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	X or√
	<p>Location permit based on Head of Musi Banyuasin District Decree No. 262 in 2011 that covers an area of 4,000 ha.</p> <p>Location permit based on Head of Musi Banyuasin District Decree No. 0217 in 2011 that covers an area of 2000 ha.</p> <p>The appointment of 262 plasma smallholder candidates based on Head of Musi Banyuasin District Decree No. 0258 in 2010.</p> <p>Work agreement with Sinar Delima cooperative No. 001/Plasma/GPI-KUD/II/2012 regarding the development of palm oil plantation with partnership scheme KKPA (<i>Kredit Koperasi Primer untuk Anggota</i>).</p> <p>IUP Plasma based on Head of District Decree No. 0265 in 2010 (nucleus estate 800 ha and Plasma 1200 ha in Gajah Mati Village, Sungai Keruh Sub-district) and IUP based on Head of District Decree No. 282/KPTS/IUP/DISBUN/2011 (nucleus estate 1600 ha and Plasma 2400 ha).</p> <p>Kavling distribution plan has been mapped. At the moment, company is waiting the approval from cooperative for plasma plantation distribution.</p> <p>There is minute of land handover process from landowner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an</p>	√

	area of 2,8 Ha in Gajah Mati Village on 24 th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3 rd December 2008.	
	Status: COMPLY	
6.3	There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	X or√
	<p>There is consultation and communication procedure with local community (RSPO/6.2/KKM), communities complain management (RSPO/6.3/PKM), personnel complain management (RSPO/6.5/PKK) and conflict resolution (RSPO/2.2/PK) in a participatory way by involving local communities in estate area, such as: (1) Talang Piase Village (14th May 2011); (2) Sub-village III Talang Ilo (27th May 2011); (3) Napal Village (29th May 2011); (4) Karang Ringin II Village (26th May 2011); (5) Rantau Kasih Village (13th May 2011). Socialization activity record, which consists of activity date, venue, matter, photos, attendance sheet. Conflict resolution technique in an effective, on-time and with a correct mechanism are regulated in <i>flow chart</i> of complain resolution, with a description such as: company receives complaint from internal and external source (accepted by head of section for recording), followed by submitting the report to manager for decision making or being consulted with head of department if the decision should come from head of department. Complain from personnel can be settled within two work-days (from complain submission to manager to resolution), meanwhile resolution for complain from local communities depends on the type of complain. If it is a brief complain then it could be settled within 3 work day, but if the complaint is significant, then the decision should be conducted to head office management with duration for about one week.</p> <p>Complaint from communities is recorded in communities complaint log book</p> <p>The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK). There is no revision over the content or mechanism of compensation calculation – similar to previous audit finding.</p>	√
	Status: COMPLY	
6.4	Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	<p>The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK), which has been socialized.</p> <p>The entire evidence of land conflict resolution is available in location, such as minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p>	√
	Status:	
7.3	New plantings since November 2005, have not replaced primary forest or any area	X or√

	required to maintain or enhance one or more High Conservation Values.	
	There is an HCV identification result, which has been conducted in July 2011 by AKSENTA. The document ensures that there is no HCV area being used for the new KKPA plantation development.	√
	Status: COMPLY	
7.5	No new plantings are established on local peoples' land without their free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	X or√
	<p>The procedure to identify and calculate the compensation over the lost of legal right or traditional right over the land is stated in procedure for conflict resolution (RSPO/2.2/PK), there is no revision on compensation calculation mechanism and compensation issues from the previous audit.</p> <p>There is minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3rd December 2008.</p> <p>Plasma plantation development is based on agreement between Sinar Delima Cooperative (smallholders group) and PT GPI based on agreement letter No. 001/Plasma/GPI-KUD/II/2012 on development of plantation with partnership scheme/ <i>pembangunan Perkebunan Kelapa Sawit Pola Kemitraan KKPA (Kredit Koperasi Primer untuk Anggota)</i>. The appointment of 262 plasma smallholder candidates based on Head of Musi Banyuasin District Decree No. 0258 in 2010.</p>	√
	Status: COMPLY	
7.6	Local people are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	X or√
	There is minutes of land handover from land owner with a basis of business right and land ownership letter. For instance, minutes of land handover on behalf of Aziz Ali with a basis of business right and land ownership letter dated 9 th July 2007 for a land area of 2.8 ha that is known by Head of Gajah Mati Village and acknowledgement right letter on behalf of Aziz Ali for an area of 2,8 Ha in Gajah Mati Village on 24 th February 2008 and has been registered to Head of Sub-district office No. 593/126/2009/XII/2008 on 3 rd December 2008.	√
	Status: COMPLY	

3.5 Identification of Findings, Corrective Action, Observations, OFI and Noteworthy Positive Components
3.5.1 Identification of Findings, Corrective Actions and Observations at ASA-2 Assessment

NCR No	Ref Std	Finding	Area	Grade	Deadline	Corrective Action	Observation	Status	Closed Date
2015.1	Major 2.1.1 Major 4.7.2	OHS Guiding Committee Structure There is a changes of OHS Guiding Committee Structure at PT. PSK referring the decree of the Head of Aceh Tamiang District Manpower Agency number 560/509/2014 in term of the legalization of OHS Guiding Committee in PT PPP and PT PSK on November 20 th 2014. The OHS Guiding Committee Secretary is an OHS expert (Mohammad Ruslin, number.13.1311/AK3/U/V/2013 dated May 27 th 2013). However, the OHS expert has been mutated to other company.	Batang Ara & Tamiang Estate	Major	May 26 th 2015	The company must be able to show the evidence of the OHS Guiding Committee structure referring the applied regulation.	<p>Root Cause: The replacement of the former OHS expert has not yet been appointed.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> OHS Expert training for BAE has been held on April 20th – 29th 2015 (on behalf of Zulfikar Tindaon) and MS pasaribu is appointed as an OHS Expert for TME <p>Preventive Action: The OHS expert in each unit shall be prepared before the mutation of the existed OHS expert.</p> <p>Auditor Verification: May 8th 2015 The company has proposed the request to form OHS Guiding Committee of PT PSK in letter number 135/TAN/P3/IV/2015 dated April 23rd 2015 from Estate Manager to the Head of Aceh Tamiang</p>	Closed with observation	May 8 th 2015

							<p>Manpower Agency on behalf of Zulfikar Tindaon. He has participated on the OHS Expert training on April 20th – 29th 2015 and he also has achieved the certificate of OHS expert from PT Delta Indonesia and RI Manpower Ministry</p> <p>The company has proposed the request to form OHS Guiding Committee of PT PPP in letter number 136/TAN/P3/IV/2015 dated April 23rd 2015 from Estate Manager to the Head of Aceh Tamiang Manpower Agency on behalf of Muhammad Soaloan Pasaribu. He is an OHS Expert. He has achieved OHS Expert certificate number 13.1313/AK3/U/V/2013 dated May 27th 2013.</p> <p>NC Number 2015.01 is closed and it will be observed further.</p>		
2015.2	Minor 2.1.1	Information of the law and regulation requirements The company has had the list of regulation and law in order to comply the changes of the applied regulation. However, the list is not covering the law and regulations issued during period of 2010 – 2015.	Estate and Mill	Minor	ASA - 3	The company must be able to show the evidence of the update of the must-complied regulation and law requirements changes.	<p>Root Cause: There is no an appointed well trained Officer to deal with that stuff.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> The company appoints 1 well trained Officer to update the statute changes (compilation of 	Closed	May 18 th 2015

							<p>appointment decree)</p> <ul style="list-style-type: none">Preparing the list of the updated regulation. <p>Preventive Action: The company shall review the regulation routinely (each quarter).</p> <p>Auditor Verification: May 18th 2015 The management unit has shown the list of the updated regulations and statutes on April 22nd 2015. There are 201 regulations associated with plantation consisted of several type of law products. NC Number 2015.02 as Major category is closed.</p>		
2015.3	Major 2.2.2	<p>Maintenance of the Legal Boundary Pole There is no evidence of the implementation of demarcation and legal estate area boundary maintenance. Specifically at Blang Simpo Estate.</p>	Blang Simpo 1 and Blang Simpo 2 Estate	Major	May 26 th 2015	<p>The company must be able to show the evidence of the implementation of demarcation and legal estate area boundary maintenance. Specifically at Blang Simpo Estate</p>	<p>Root Cause: The boundary of demarcation which is referring the location permit is still complete. Demarcation which is bordering with the locals is bordered by trench (6 meter trench) and the existence of the Land Use Title (HGU) pole at the location is missing.</p> <p>Corrective Action: <ul style="list-style-type: none">Re-inventory of the Land Use</p>	Closed with observation	May 8 th 2015

							<p>Title (HGU) poles.</p> <ul style="list-style-type: none">Updating the list of Land Use Title (HGU) pole inventory.Composing the schedule to maintain the boundary poles and trench. <p>Preventive Action:</p> <p>The company should conducts routine monitoring over the trench and poles (each quarter).</p> <p>Auditor Verification:</p> <p>May 2nd 2015</p> <p>The management unit has shown the evidence of the legal boundary poles and trench maintenance. The missing poles shall be reconstructed referring the legal coordinate.</p> <p>The auditor team must re-verify the issue on the next assessment (ASA-2).</p>		
2015.4	Major 5.1.2	<p>Report of Environmental Management and Monitoring Plan</p> <p>The management unit is not able to show:</p> <ul style="list-style-type: none">The report of environmental management and monitoring plan is not describing the	PT PPP	Major	May 26 th 2015	<p>PT PPP must be able to show the evidence that:</p> <ul style="list-style-type: none">The report of environmental management and monitoring plan is describing the erosion monitoring.	<p>Root Cause:</p> <p>The erosion monitoring is not yet incorporated on the report of environmental management and monitoring plan.</p> <p>Corrective Action:</p>	Closed	May 15 th 2015

		<p>erosion monitoring yet.</p> <ul style="list-style-type: none"> Evidence of the report of environmental management and monitoring plan delivery to the associated agencies in Aceh Province. 				<ul style="list-style-type: none"> Evidence of the report of environmental management and monitoring plan delivery to the associated agencies in Aceh Province. 	<p>The erosion monitoring shall be incorporated on the report of environmental management and monitoring plan.</p> <p>Preventive Action: The review in term of erosion management shall be conducted routinely (monthly).</p> <p>Auditor Verification: May 15th 2015 The management unit has shown the report of environmental management and monitoring plan of PT PPP which describes the erosion monitoring result as well as the evidence of the report handover to Aceh Province Environment Agency on May 10th 2015. NC Number 2015.4 is close.</p>		
2015.5	Minor 5.2.1	<p>Poster and Signboard which inform the endanger species. According to the result of field visit to Blang Simpo 1 Estate, there is no poster nor signboards which informs the endanger species.</p>	Blang Simpo 1	Minor	ASA-3	<p>The management unit must be able to show the existence of signboard and poster which informs the endanger species.</p>	<p>Root Cause: The poster and signboard are not yet installed</p> <p>Corrective Action: It shall be installed.</p> <p>Preventive Action: HCV signboard maintenance</p>	Closed	May 8 th 2015

							Auditor Verification: May 8th 2015 The management unit has shown the documentation of the poster and signboard installation in Blang Simpo 1 Estate.		
2015.6	Major 5.3.2	Implementation of Waste Management Sewer system to dispose the ex spraying equipments washing water at Block Spraying System (BSS) station has a potential to cause pollution.	Estate	Major	May 26 th 2015	The company must ensure that the management of the spraying equipments washing system is well implemented in order to avoid pollution.	Root Cause: BSS trap is not yet created Corrective Action: BSS trap shall be created Preventive Action: Maintaining the BSS trap Auditor Verification: May 8th 2015 The management unit has shown the evidence of the sewer system repairmen on the BSS station. The water shall be accommodated behind the BSS station.	Closed	May 8 th 2015
2015.7	Minor 5.3.1	Hazardous Waste Management According to the field visit to Blang Simpo 1 Estate central housing complex, there were employees who use used oil containers as water containers.	Estate	Minor	ASA-3	The hazardous waste must be disposed properly.	Root Cause: Lack of socialization over the prohibition to use ex hazardous waste containers. Corrective Action: The ex hazardous material drum shall be replaced with 300 liter of water drum.	Closed with observ ation	May 8 th 2015

							<p>Preventive Action: The socialization in term of prohibition to use hazardous material must be held to the employees.</p> <p>Auditor Verification: May 8th 2015 The management unit has shown the evidence of the socialization to prohibit the use of ex hazardous material containers. The signboards are installed as well. Furthermore, the water drum at housing complex must also be provided by the company.</p> <p>The auditor team shall re-verify the issue on the next assessment.</p>		
2015.8	SCCS butir 6.1 (Modul D Ver. Nov. 2011)	<p>Training of SCCS Implementation There is no evidence of the SCCS requirements training implementation for all personnel involved on the SCCS implementation such as production Assistant, weighbridge Operator and the Head of Administration.</p>	Mill	NC	April 25 th 2015	The company must be able to show the evidence of the SCCS training to all the involved personnels.	<p>Root Cause: There is no update of training over the new employees.</p> <p>Corrective Action: SCCS training must be held.</p> <p>Preventive Action: The schedule of SCCS training must be composed.</p> <p>Auditor Verification: April 18th 2015</p>	Closed with observation	April 18 th 2015

							Blang Simpo Mill has shown the evidence of the SCCS training on April 11 th 2015. It was attended by 27 participants such as mill and estate managers, estate assistant, weighbridge clerk, production clerk). Therefore, NC number 2015.08 is closed and it will be verified on the next assessment (ASA-2).		
--	--	--	--	--	--	--	---	--	--

3.5.2 Identification of Findings, Corrective Actions and Observations at ASA-3 Assessment

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
2016.01	RSPO Certification System 4.2.4 c&d	Updating Time-Bound Plan Sime Darby Plantations Bhd. Indonesia, as a member of the RSPO has not made updating yet against RSPO certification assessment Time Bound Plan 2016 related to the status of all units / subsidiaries, including a written statement (justifications) in case of a change of time bound plan of the RSPO certification. This is not in accordance with the RSPO Certification System version 2007	Liaison Office Sime Darby Indonesia	MAJOR	60 days (17 May 2016)	Sime Darby Plantations Indonesia need to update the RSPO certification status of all units / subsidiaries accordance RSPO Certification System version 2007 (rev. 2011).	<ul style="list-style-type: none"> Root cause: Miscoordination between management unit and PSQM Jakarta. Corrective action (+evidence) PSQM Officer Unit will coordinate and communicate to Jakarta office. Preventive action: PSQM officer at unit level will made monitoring of all relevant documents and update with others department. Jakarta office 	CLOSED	20 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		(rev. 2011).					<p>will make updating of TBP periodically and shared to all units.</p> <ul style="list-style-type: none"> Auditor conclusion: Auditor observation dated 20 May 2016. <p>Sime Darby Indonesia Upstream has provide an updating Time Bound Plan as well as justification against the uncertified units, i.e:</p> <ul style="list-style-type: none"> PT. Bahari Gembira Ria: on progress of renewal MoU. PT. Bersama Sejahtera Sakti: New project of scheme smallholders (KKPA Maju Bersama). Crop status is immature. PT. Ladangrumpun: New project of scheme smallholders (SAP). Crop status is immature. PT. Mitra Austral Sejahtera: RSPO Review Dispute Task Forces process. PT. Sime Indo Agro: ongoing 		

CAR No.	Ref. Std.	Findings (Temuan)	Location (Lokasi)	Grade	Time Limit (Batas Waktu)	Corrective Action (Tindakan Koreksi)	Observation (Observasi)	Status	Closing date (Tanggal Closed)
							<p>process of legal status of land.</p> <ul style="list-style-type: none"> - PT. Sandika Natapalma: ongoing process on relevant licenses. - PT. Budidaya Agro Lestari: land permit received on 2015, other licenses are still ongoing process. - PT. Guthrie Pecconina: Land Use Right (HGU) still ongoing process and Bank loan from smallholders is unfinished paid. <p>According to above corrective action and evidence, this NC stated COMPLY.</p>		
2016.02	2.1.1	Compliance to relevant applicable laws and regulations. Based on the documents verification and interviews with workers known that the certificate holder are not fully applied the applicable law requirements of Occupational Health and Safety Regulation aspects, namely	Mill and Estates	MAJOR	60 days (17 May 2016)	The certificate holder must show sufficient evidence that has implemented all regulations about Occupational Health and Safety Regulation especially related to welder operator and medical surveillance of employees.	<ul style="list-style-type: none"> • Root cause: <ul style="list-style-type: none"> - Training for Welder operator has not been conducted due to current welder is a new operator since January 2016. While the welder training schedule will held in June 2016. - Medical surveillance was delayed from certain schedule 	CLOSED	10 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		<ul style="list-style-type: none"> - Welder Operator in Tamiang Estate and Batang Ara Estate has not competency license/certificate which referred to Manpower Regulation (Peraturan Menteri Tenaga Kerja) No. 2 Year 1982. - Annual Medical Surveillance for period 2015 – 2016 in both units (mill and estates) has not conducted. 					<p>on October 2015, due to previous doctor was resigned and replaced by paramedic that have not records on previous schedule.</p> <ul style="list-style-type: none"> • Corrective action (+evidence) <ul style="list-style-type: none"> - Certificate holder has submitting for welder training to PT. Arpindo Pratama. Registering letter No. 271/SK/AP/V/2016 tanggal 9 Mei 2016, dated 9 May 2016 is available. Training will be held on 25-29 May 2016. - Certificate holder has shown the evidence of corrective action as medical surveillance report cooperate with Pertamina Hospital (PT. Pertamedika) dated 12 April 2016. Types of examination are audiometric, spirometric and blood testing for 74 workers. Evaluation report of 32 workers that indicated were exposed is available. • Preventive action: <ul style="list-style-type: none"> - Updating of all licenses and 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>workers competencies shall be done by section head of each operational units.</p> <p>- Carrying out of medical surveillance with appropriate schedule.</p> <p>• Auditor conclusion:</p> <p>Observation on 10 May 2016</p> <p>According to the evidences provide by the Certificate Holder, the nonconformity has been fulfilled.</p>		
2016.03	4.2.1	<p>Fertilizer Used Records</p> <p>The certificate holder has plans application of fertilization for budget year July 2015 - June 2016 based on Minamas Research Centre recommendation.</p> <p>But based on documents verification, known that the actual recording of fertilizing in Blang Simpo Estate-1 is not in accordance with the MRC recommendations. Moreover, there is no provable explanation and</p>	Estates	Minor	ASA-4	<p>The certificate holder must implement Best Management Practice Agronomy of fertilization in accordance with established procedures, and should be based on research.</p>	<p>• Root cause:</p> <p>Old stock of fertilizer were placed in store (aging stock) and based on management instruction that fertilizer must be applied.</p> <p>• Corrective action (+evidence)</p> <p>The company has shown evidence of an email on 20 november 2015, namely the direction of the use of fertilizers from Indonesia Head Plantation Upstream Operations of the clearance of old stock of</p>	CLOSED	24 March 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		evaluation related to it. For example: there was no recommendation in that period for fertilizer type of CCM 44 (12% N; 6% P; 22% K; 3% Mg), however a number of 4.90 MT of its fertilizer was applied upto February 2016.					<p>fertilizer by Aceh Area. In the directives described in the email fertilizer use old stocks to be used and full applied.</p> <ul style="list-style-type: none"> Preventive action Fertilizer application shall be appropriate with research recommendation. Auditor conclusion: Observation auditor 24 March 2016 <p>.Based on the above explanation in mind that the difference between actual and recommendations derived from the evaluation of Head Plantation Operations Upstream Indonesia. This Nonconformity has been closed.</p>		
2016.04	4.6.6	Pesticide Waste Management Based on the field observation in BSE1 known that there is hazardous waste stored in an unauthorized warehouse.	Estates	MAJOR	60 days (17 May 2016)	The company should be able to show the evidence of hazardous waste management is in accordance with the applicable SOP.	<ul style="list-style-type: none"> Root cause: Less of understanding related to hazardous waste management by the warehouse officer at BSE-1. Corrective action (+evidence) 	Closed	24 March 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<ul style="list-style-type: none"> - Briefing of awareness to the warehouse officer on 19 March 2016. Whilst, the certificate holder has provide the evidence by letter 001/BSE-1 /II/2016, dated February 1, 2016 regarding the management of hazardous waste in hazardous waste warehouse. In the letter stating that all waste is sent to hazardous waste warehouse at BSE-2 And hazardous waste must be sent every two week and be record at logbook hazardous waste material. - Minutes of hazardous containers deliveries to permitted storage at BSE-2. The minutes dated 18 March 2017 with volume 127 containers. • Preventive action: Supervising to all hazardous storage officers by administration staff to be aware and obey the procedures and relevant regulation relating to 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>hazardous waste management.</p> <ul style="list-style-type: none"> Auditor conclusion: <p>Observation auditor 24 March 2016</p> <p>Based on above evidence and explanation, the company has been manage hazardous waste with send the hazardous waste at hazardous waste warehouse which have permit in accordance with company SOPs Nonconformity has been closed</p>		
2016.05	4.6.11	<p>Annual Medical Surveillance for Agrochemical Operators</p> <p>The certificate holder has not checked out a periodic medical surveillance of employees and specific medical examination of agrochemical operator for-year period 2015-2016.</p>	Estates	MAJOR	60 days (17 May 2016)	<p>The certificate holder have to show a sufficient evidence of medical surveillance of employees and specific medical examination of agrochemical operator</p>	<ul style="list-style-type: none"> Root cause: <ul style="list-style-type: none"> Medical surveillance was delayed from certain schedule on October 2015, due to previous doctor was resigned and replaced by paramedic that have not records on previous schedule. Corrective action (+evidence) <ul style="list-style-type: none"> The certificate holder has demonstrated evidence of corrective action in the form of 	CLOSED	22 April 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>health examination results of pesticide operator in BSE1, in collaboration with the Sultan Abdul Aziz Shah Peureulak Hospital on March 11, 2016. Based on the verification is known that there are four employees of operator who follow the medical examination, the components examined were hematological and blood test, on the advice column it is advisable to check cholinesterase.</p> <ul style="list-style-type: none"> - Conducting the immediate medical surveillance at Pertamina Hospital (PT. Pertamedika) dated 12 April 2016. Types of examination are audiometric, spirometric and blood testing for 74 workers. Evaluation report of 32 workers that indicated were exposed is available. • Preventive action: Conducting the immediate medical surveillance which refer to 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							appropriate schedule. <ul style="list-style-type: none"> Auditor conclusion: 22 April 2016 According to the above evidences, the nonconformity is CLOSED		
2016.06	5.1.3	Environmental monitoring and management report. The certificate holder has been monitoring the environmental aspects however Blang Simpo Factory (PT PSS) have not yet submitted the reports for Q3 and Q4 to the government agencies such as Environmental Agency of East Aceh district. Meanwhile, based on the document DPLH 2014, Batang Ara Estate (PT PSK) has the obligation to carry out reporting of environment management efforts and environment monitoring efforts once every 6 months, for 2015 the company has not carried out the reporting reporting of environment management efforts and environment monitoring efforts to	Estates	Minor	ASA-4	Certificate holder should provide the objective evidence that environmental monitoring and management report has been made and submitted to relevant agency.	<ul style="list-style-type: none"> Root cause: <ul style="list-style-type: none"> - Delaying of air emission test as annex in the EIA report of PT. PPP (UKL-UPL). - Status of EIA report was postponed due to switching of Plantation Services Department officer at Estate level. Corrective action (+evidence) The certificate holder has provide the evidence of submitting document i.a.: <ul style="list-style-type: none"> - Receipt of quarterly EIA report and hazardous waste management report to Environmental Agency at Aceh Timur. - Receipt of EIA monitoring and management report Semester II 2015 of PT. PSK to Environmental Agency at Aceh 	CLOSED	18 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		the relevant agencies such as the Environment Agency of Aceh Tamiang District.					<p>Tamiang.</p> <ul style="list-style-type: none"> Preventive action: <ul style="list-style-type: none"> Administration Head (KTU) shall ensure that Air emission analysis/test must be conducted by accredited laboratory in appropriate schedule. Supervising on environmental management report (UKL-UPL) of PT. PSS and PT. PSK must be submitted to relevant agency in timely manner. Auditor conclusion: <p>Observation on 18 May 2016 According to corrective action evidence that provide as above, status of this NC stated CLOSED.</p>		
2016.07	5.2.3	Training and Socialization on HCV aspects The certificate holder has yet to show program and realization of training on HCV and wildlife protected to employees regularly. Including socializaon related to forms of sanctions for violations in accordance with applicable	Mill and Estates	Minor	ASA-4	The certificate holder has to show program and realization of training on HCV and wildlife protected to employees regularly. Including socializaon related to forms of sanctions for violations in accordance with applicable	<ul style="list-style-type: none"> Root cause: Training program of HCV and RTE species is for HCV officer only, while not conducted for the workers. Corrective action (+evidence) Program and realization of training about HCV and protected wildlife has 	CLOSED	22 April 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		regulations.				regulations.	<p>been made and has been socialization to employee at muster morning in weekly period.</p> <p>The CH show the evidence that program and realization of training about HCV and protected wildlife to the employees, as well as socialization of punishment for infringement HCV and protected wildlife in accordance with applicable regulations. There is evidence of socialization at 15 april 2016 by BSE2 employees.</p> <ul style="list-style-type: none"> Preventive action: Create daily monitoring of HCV and protected wildlife and supervision from Field Assistant. Auditor conclusion: Observation on 22 April 2016 According to corrective action evidence that provide as above, status of this NC stated CLOSED. 		
2016.08	5.6.2	Identification of GHG pollutant and emitters	Mill and Estates	MAJOR	60 days (17 May 2016)	The certificate holder has to show an identification of sources emissions, type of	<ul style="list-style-type: none"> Root cause: Identification of existing 	CLOSED	18 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		<p>Certificate holder has had working instruction of Carbon Estimation in Oil Palm Plantation namely Instruksi Kerja Pendugaan Neraca Karbon di Perkebunan Kelapa Sawit (No: PNKPKS/31/PPP-PSK-PSS/V/2012, tanggal 1 Mei 2012). However, the certificate holder does not have an identification of sources emissions, type of pollutant and type of emitter's activities for both Mill and Estates. Also, the planning, target and timeline to reduce and minimizing emissions from Mill and Estates activities are not available in place</p>				<p>pollutant and type of emitter's activities for both Mill and Estates. Also, the planning, target and timeline to reduce and minimizing emissions from Mill and Estates activities.</p>	<p>emissions sources is incomplete.</p> <ul style="list-style-type: none"> Corrective action (+evidence) GHG Identification was made complete by the type of gas emissions from certain activities. The certificate holder submits evidence of improvement in the form of Source Identification GHG Emissions and Pollutant period 2015-2016. Preventive action: Updating on Identification of existing emissions sources by the type of gas emissions from certain activities. Auditor conclusion: 15 April 2016 Results of the verification audit team concluded that the improvements were insufficient, particularly Source Emissions of gases produced. The improvement over stated that this incompatibility has not been fulfilled. 18 May 2016 The certificate holder submits evidence of Identification GHG Emissions and Pollutant Sources 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							period 2015-2016. Also timeline to minimize of GHG emission. According to corrective action evidence that provide as above, status of this NC stated CLOSED.		
2016.09	5.6.3	Calculation system of GHG emission sources and periodical reporting. Certificate holder has not yet calculates the estimation of GHG emission using RSPO PalmGHG tools and reporting to the RSPO periodically.	Mill and Estates	Minor	ASA-4	Certificate holder has to show evidence calculated the estimation of GHG emission using RSPO Palm GHG tools and reporting to the RSPO periodically.	<ul style="list-style-type: none"> • Root cause: Miscoordination between unit and PSQM Jakarta office to update of GHG data. • Corrective action (+evidence) Updating data of GHG emission to Jakarta office based on certain activities periodically, to be submitted in PalmGHG Calculator. • Preventive action: Create a checklist / monitoring of data to be updated. • Auditor conclusion: 	OPEN	
2016.10	6.1.3	Program and Planning of Social Impact The Certificate holder has had Report of Social Impact Assessment on Oil Palm Plantation	Estates	MAJOR	60 days (17 May 2016)	Certificate holder should have program and planning on social impact with affected parties through participatory	<ul style="list-style-type: none"> • Root cause: Do not have a social impact programs involving affected communities. • Corrective action (+evidence) 	CLOSED	18 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		<p>Management which conducted by third party consultant namely POLLITO in 2010.</p> <p>However, during the ASA-3, known that no evidence of social impact planning and programme which made for year 2014-2015 and 2015-2016, also participation involvement with affected parties during development of its programme are not provided</p> <p>This was confirmed during the visit to the surrounding community of estates that there is no participatory involvement in planning related to social impact</p>				<p>approachment.</p>	<p>Make a plan of program impact social governance by involving the affected communities.</p> <ul style="list-style-type: none"> Preventive action: Documented any corporate activities related to the public in the management of social impact in communities around the CH. Auditor conclusion: 15 April 2016 The certificate holder submit evidence of improvement in the form of Program / Social Impact Management Plan Year 2015-2016, but the content of the program entirely on environmental impacts. The improvement over stated that this incompatibility has not been fulfilled. 18 May 2016 The CH has demonstrated the social impact of the program PT PSK and PT PPP derived from the results of consultation with the villagers, in the program there is a village location 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							and the type of activities to be undertaken by the CH. The CH has conducted a public consultation on the Lubuk Pempeng village on 30 April 2016 and Tanjung Sekupang village on 4 May 2016. The Company has shown the documentary evidence in the form of minutes of meetings and attendance, which was attended by village head Lubuk Pempeng village and Tanjung Sekupang village. According to above corrective action and evidence, this NC stated COMPLY.		
2016.11	6.1.4	Review on Social Impact Management Planning Certificate holder has fail to proved that its programme has been reviewed periodically minimum once every 2 years.	Estates	Minor	ASA-4	Certificate holder should have that the social impact management plans shall be reviewed as a minimum once every two years and updated as necessary.	<ul style="list-style-type: none"> • Root cause: Program management of social impact has not been updated. • Corrective action (+evidence) To update the program to manage the social impact. • Preventive action: Documents are stored in the RSPO officer Secretariat at estate and updated. 	OPEN	

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<ul style="list-style-type: none"> Auditor conclusion: 		
2016.12	6.3.1	<p>Anonymity assurance of complainants and whistleblowers, where requested.</p> <p>The certificate holder has a dispute resolution system in the form of procedures, namely:</p> <ol style="list-style-type: none"> (1). SOP of Community complaints, document number : KK/05/V/PPP-PSK-PSS/12 (2). SOP of Employees Complaints, document number: KK/06/V/PPP-PSK-PSS/12 (3). SOP communication / consultation with the community, document number : KKM/07/V/PPP-PSK-PSS/12 <p>However in all of these procedures does not explain the guarantee of confidentiality to the complainant (whistleblower).</p>	Mill and Estates	MAJOR	60 days (17 May 2016)	Certificate holder shall ensure for ensuring anonymity of complainants and whistleblowers, where requested in all related procedures.	<ul style="list-style-type: none"> Root cause: Confidentiality of anonymity complainants and whistleblowers where requested are not available in relevant procedures. Corrective action (+evidence) Revising of Confidentiality of anonymity complainants and whistleblowers where requested in relevant procedures, i.a.: <ol style="list-style-type: none"> (1). SOP of Community complaints, document number : KK/05/V/PPP-PSK-PSS/12. (2). SOP of Employees Complaints, document number: KK/06/V/PPP-PSK-PSS/12. (3). SOP communication / consultation with the community, document number : KKM/07/V/PPP-PSK-PSS/12. <p>Within its revised procedures,</p>	CLOSED	18 April 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>Confidentiality of anonymity complainants and whistleblowers where requested has been added.</p> <ul style="list-style-type: none"> - Minutes of Socialization of its procedures to all workers during muster morning on 4 April 2016. - Install the revising procedures on notice board in village office. <p>• Preventive action: Updating of relevant procedures periodically.</p> <p>• Auditor conclusion: 18 April 2016 According to evidence that provided as above, this NC stated as CLOSED.</p>		
2016.13	6.11.1	<p>CSR program that based on the results of consultation with local communities.</p> <p>The certificate holder has a CSR program in 2016, but the program has not been based on consultation and communication</p>	Mill and Estates	Minor	ASA 4	The certificate holder has to show evidence that the preparation of the CSR program has been based on consultation and communication with local communities.	<ul style="list-style-type: none"> • Root cause: Social impact program to the communities have not been updated. • Corrective action (+evidence) Updating of social impact management with involvement of 	CLOSED	18 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		with the surrounded villagers.					<p>surrounding communities has made immediately.</p> <p>Evidence:</p> <p>Social Impact program year 2015-2016 as a result from consultation with community/villagers. Location and type of activities are available within the program.</p> <ul style="list-style-type: none"> Preventive action: <p>Unit will make data monitoring for social impact program and updating periodically by social officer.</p> <ul style="list-style-type: none"> Auditor conclusion: <p>18 May 2016</p> <p>According to the evidences provided by the CH, this NC already comply and CLOSED.</p>		
2016.14	6.13.1	Respect for human rights policy. The certificate holder has not been able to provide evidence that it has been had a policy of respect human rights	Mill and Estates	MAJOR	60 days (17 May 2016)	The certificate holder should have that policies related to respect for human rights are available in place.	<ul style="list-style-type: none"> Root cause: <p>Policy on respect of human rights has not found during the audit.</p> <ul style="list-style-type: none"> Corrective action (+evidence) <p>Creating a document of human rights and approved by Unit Head.</p> <p>Evidence:</p>	Closed	24 March 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<ul style="list-style-type: none"> - Commitment of the company to respect of human rights in accordance with relevant regulation, dated 1 March 2016. - Socialization of human rights policy to the workers during muster morning on 7 March 2016. • Preventive action: All relevant documents must be keep securely at RSPO office. • Auditor conclusion: Observation on 24 March 2016 Companies is able to show evidence of corrective in the form of documents related to company's commitment to respect human rights in accordance with applicable regulations, published on March 1, 2016 and approved by the Manager unit. Nonconformity has been closed 		
2016.15	8.1.1	Continual Improvement Plans The certificate holder has not fully implemented continuous improvements related aspects of	Mill and Estates	MAJOR	60 days (17 May 2016)	The certificate holder shall made continual improvement for environmental and social	<ul style="list-style-type: none"> • Root cause: 1. Less of understanding related to hazardous waste management 	CLOSED with Observati on	18 May 2016

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
		<p>environmental and social impacts. This relates to:</p> <ol style="list-style-type: none"> 1. Pesticide Waste Management (criteria 4.6 and 5.3) refers to Nonconformity No. 2016.04. 2. Reporting Environmental Management and Monitoring (criteria 5.1) refers to Nonconformity No 2016.06 3. Pollution and GHG Emissions (criteria 5.6) refers to Nonconformity No. 2016.08 4. Social Impact Program (criteria 6.1), refers to Nonconformity No 2016.10 				aspects.	<p>by the warehouse officer at BSE-1.</p> <ol style="list-style-type: none"> 2. Delaying of air emission test as annex in the EIA report of PT. PPP (UKL-UPL). Also, status of EIA report was postponed due to switching of Plantation Services Department officer at Estate level. 3. Identification of emission source data is incomplete. 4. Social impact program with involvement of the communities is not available. <ul style="list-style-type: none"> • Corrective action (+evidence) <ol style="list-style-type: none"> 1. Briefing of awareness to the warehouse officer on 19 March 2016. Whilst, the certificate holder has provide the evidence by letter 001/BSE-1 /II/2016, dated February 1, 2016 regarding the management of hazardous waste in hazardous waste warehouse. Minutes of hazardous containers deliveries to permitted storage at BSE-2. 		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>The minutes dated 18 March 2017 with volume 127 containers.</p> <p>2. Providing the evidence of submitting EIA monitoring and management report to Environmental Agency. Analysis result of air emissions was attached within the report.</p> <p>3. GHG identification made completely based on emission gasses produced from certain activity.</p> <p>4. Make an social impact program by involving the affected communities.</p> <p>• Preventive action:</p> <p>1. Supervising to all hazardous storage officers by administration staff to be aware and obey the procedures and relevant regulation relating to hazardous waste management.</p> <p>2. Administration Head (KTU) shall ensure that Air emission analysis/test must be conducted</p>		

CAR No.	Ref. Std.	Findings (<i>Temuan</i>)	Location (<i>Lokasi</i>)	Grade	Time Limit (<i>Batas Waktu</i>)	Corrective Action (<i>Tindakan Koreksi</i>)	Observation (<i>Observasi</i>)	Status	Closing date (<i>Tanggal Closed</i>)
							<p>by accredited laboratory in appropriate schedule. Supervising on environmental management report (UKL-UPL) of PT. PSS and PT. PSK must be submitted to relevant agency in timely manner.</p> <p>3. Update the GHG identification based on certain activities that produce of GHG emissions.</p> <p>4. Social impact management with communities participatory must be documented in any communication ways.</p> <p>• Auditor conclusion: Observation on 18 May 2016</p> <p>According to related evidence that provided by CH, auditor team concludes this NC is CLOSED with Observation. Continual implementation will be verified in the next assessment.</p>		

3.5.3 Opportunity for Improvement

No	Ref Std	Descriptions
1	SCCS Module- D Clause D 3.1	The certificate holder needs to renew Annex on supply chain procedures according the latest standards and reference documents that the revised procedures.

3.5.4 Noteworthy Positive Components

No	Ref Std	Descriptions
1		Blang Simpo Factory obtained the certificate PROPER with honors BLUE for the years 2014-2015 from Environment Bodies Aceh Province
2		PT. Padang Palma Permai obtained the certificate zero accident for the years 2015 from Labour Agency aceh province and Indonesian Ministry of Manpower
3	6.1.5 6.11.1	Progress smallholdings development which has obtained the location and scheme smallholders from Aceh Timur Distric

3.6 Summary of Arising Issues from Public, Management and Auditor Response

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
National Land Agency of East Aceh district <ul style="list-style-type: none"> There is no land dispute in the concession area Information of process of concession filed by the company does not exist in the district because the processing directly to the Provincial. 	<ul style="list-style-type: none"> Maintain a good relationship with the communities bordering the plantation HGU and maintain boundary Coordination and consultation will still be conducted with National Land Agency of East Aceh 	<p>Has been verified and explained in the criterion 2.2, 2.3, 2.4, 2.5 and 2.6</p>
Social, Manpower and Transmigration Agency of Aceh Tamiang <ul style="list-style-type: none"> Relationship between the company with the Agency has been established. Management unit has implemented the provincial minimum wage in 2016. The company has reported regularly OHS Committee report every 3 months and the labor required to report once every 1 year There are no reporting related to labor conflict Has been carrying out Corporate Social Responsible (CSR) programs such as the educational aspect. Unit management has organization to congregate and deliver the aspirations such as labor unions, bipartite cooperation and cooperative Training for heavy equipment operator was implemented in March 2015 and has provided a letter from the Agency related to the process of issuing of Operator Permit (lisence) There is no issue of underage workers. About 80% of workers in the management unit are from the local community The management unit has provide health insurance and labor insurance in collaborate with PT BPJS 	<ul style="list-style-type: none"> Maintaining and improve good relationships with agencies Implement the provisions of the applicable minimum wage Submitting reports of OHS every month in timely Conduct CSR program Maintaining organizational that relationships between employers and employees maintained well Following the provisions under applicable regulations Do not employ workers under the age according to the applicable regulation Empowered local workers for the welfare of the local community Involve all employees in the insurance program either accident and health Continuously carried out the socialization of OHS in the company 	<p>Has been verified and explained in the criterion 4.7, 6.5, 6.6, 6.7</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> The management unit has gained zero accident award 		
Forestry and Plantation Agency of East Aceh <ul style="list-style-type: none"> By the time of HGU process there is a request of establishing of smallholder scheme in the Cik Mbon village and has been processed for licensing of smallholder scheme candidates and farmers candidates and it has been in the stage of the agreement between Cooperative and Company The company has had an Plantation Bussiness Permit (IUP) for an area of 1239 ha for PT PPP Plantation Business Progress Report has been submitted periodically Coordination between government agencies and company has been done well The company has had SP2B for seeds that used Plantation bussiness assessment has been done by Plantation Agency of Aceh Province level, but the certificate is still in the process. 	<ul style="list-style-type: none"> Company has been committed and will continue to to fulfill its obligations in accordance with the provisions and applicable regulations for the realization of the smallholdings of the acquisition of the concession area of 1,239 Ha Management of plantations always followed the provisions and applicable regulations 	<p>Has been verified and explained in the criterion 2.2, 2.3, 2.4, 2.5 and 2.6</p>
Environmental Agency of East Aceh district <ul style="list-style-type: none"> The company has hazardous storage permit, permit of waste water application. Required reports such as Environment Management Plan / Environment Monitoring Plan, hazardous waste balance sheet has been implemented and has been conducted regularly 	<ul style="list-style-type: none"> Company has been obedient in LB3 and POME management Maintaining EIA quarterly report and schedule waste report has reported in timely Process of EIA Ademdum, currently status is in 	<p>Has been verified and explained in the criterion 5.1, 5.3</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<ul style="list-style-type: none"> CSR has been implemented by the company. The certificate holder has filed an addendum for document of SEL of PT PPP. The Company has obtained the permit of extension storage life for 180 days There is no issue related to environmental and pollution in 2015 	<p>tender stage at the Central Office in Jakarta.</p> <ul style="list-style-type: none"> Previous schedule waste stock has been sent to a third party on the date March 10, 2016 	
<p>Gender Committee</p> <ul style="list-style-type: none"> The company has been supporting and facilitating programs and activities of gender committee. The company provides facilities for implementation of the program. Thus far there is no reports related with harassment and violence against women workers, the company has participated to ensure the handling of such cases. 	<ul style="list-style-type: none"> The Company has maintain and facilitate the activities of the gender committee well The Company has is obliged to prohibit any act of violence and abuse on each worker 	<p>Has been verified and explained in the criterion 6.9</p>
<p>Labor Union</p> <ul style="list-style-type: none"> The company gives freedom to all employees to unionize and organization The company has facilitated the establishment of labor unions and all the activities related to the union The company has responded well all employee complaints, for example, there are complaints about the calculation of bonuses that had not been changed since 2009, the company responded by making changes to the harvester bonus calculation system. 	<p>The company and its employees maintaining a good relationships, problems and complaints are addressed and resolved well by union labor</p>	<p>Has been verified and explained in the criterion 6.7</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>Local contractor (Hermanto and Dian Armansyah)</p> <ul style="list-style-type: none"> • An agreement between the two sides have been prepared in a transparent, a copy of the agreement has been given to the contractor. • Agreement has been explained about the type of work, pricing and payment mechanisms, the contractor stated that the payment of work carried out beyond the time was agreed in the agreement, which according to the agreement that payment is made after the billing, but the actual companies make payments longer than that time (almost 50 days). • There are complaints from the transporter of FFB related with changes of type of transport that required by the company wick originally used the truck, altered for use big truck/tronton, then changed again should use Dump Truck, these changes occurred within a period of agreement (within 6 months) 	<ul style="list-style-type: none"> • Entire contract prepared in a transparent and a copy has given to the contractor • Payment is done in accordance with the agreed term in the contract and the completion of the project in field, late payments till almost 50 days there has never been on contractors of Herman and Dian Armansyah • Related to changes the type of FFB transport, previously used truck timber with a capacity of 30 tons, then replaced by using dump truck and till now using dump truck capacity of 15 tons, the company reason is timber trucks and tronton truck could damage the road access to the village and the road passed by the truck, so that addressed through changing using the truck capacity of 15 ton. Its has been discussed with the contractor • If there any major project in the mill operational, has been involved local contractors by considering the ability of the contractor 	<p>Has been verified and explained in the criterion 6.11 and 6.10</p>
<p>Seuneubok Lapang Village, Sub District of Peureulak Timur, District of Aceh Timur</p> <p>15 March 2016</p> <ul style="list-style-type: none"> • Concern of company to the village has been felt by the community especially related to the road access is always maintained through the watering and maintenance using heavy equipment. • Social assistance which have been realized one of which is 	<ul style="list-style-type: none"> • The company is concern with the access road especially Seuneubok Lapang Village, damage caused by operating activities has been repaired and during the dry season has been watering the road to reduce dust impact on community • Social assistance carried out in accordance with CSR 	<p>Has been verified and explained in the criterion 6.11 and 6.10</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>the construction of mosques and amenities, donations for orphans every Idul Fitri and qurban animals donation in turns each year.</p> <ul style="list-style-type: none"> • Within the last 3 years there is no problem of land (claims) in the garden Blang Simpo Estate-1, since the existence of palm oil plantations has been established since 1978 by which time the company has not acquired by the Minamas / Sime Darby. • Company has always been provide job opportunities to the community to became employees in the field or factory, of course in accordance with qualifications / requirements of company. • There has been Seuneubok Field Villagers that has be a permanent employee in the company. • Public Relations Staff of company need to regularly visit community to know more about the conditions and aspirations of the local community, not only during of the company's activities / specific purposes only. • Hoped that the company together with the communities developing social program that is productive, in order that communities have benefited by coaching and has knowledge in the development of micro enterprises. • Clarity of road asphaltting status as per the agreement in 2013 between the village and company, although the decision is in the local government in the process of matching with the government's work program. • Community expects the existence of collaboration program in human resource development through coaching, training and education for the public and school children in order to create a labor force that ready and skilled 	<p>program and the ability of company</p> <ul style="list-style-type: none"> • Established a good relationships with the local community (Seuneubok Lapang Village) • Recruitment of new employees carried out when there is a need of company, recruitment preferably from surrounding communities • Public Relations company's Staff will be increase the frequency of visits to communities for enhance good relations • The Company will involve the community in the preparation of the CSR program that is productive • Road asphaltting is waiting for the government program, which will involves the company, this will be communicated to the company's top management • Program coaching of workforce-ready been done by providing scholarships to students around the company to go to college (IPB) 	

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>Tualang Pateng Village, Kec. Peureulak Timur, Kab. Aceh Timur 15 March 2016</p> <ul style="list-style-type: none"> The Company has been quite helpful in the development of rural welfare, as many as 30% of rural communities in Tualang Pateng work in factory and Estates. The majority of livelihoods of communities are in the form of palm oil farmers, even though their crops are sold to outside factory (not to the company). Community understands that the company does not receive TBS as to maintain the quality. Community grateful been allowed to use the acces road of estates to transport FFB to outside when the access road in the village is not worth and awaiting for realization of the government. The company does not restrict the request of the use of heavy equipment submitted by villagers to assist road maintenance. There was some land dispute in 2013 in which the company's concession entered the territory of the land of the community, even though they have evidence of land legal status. It has been mediated by the local government with settlement in the form of plasma dvelopping plan in the Cik Mbon village with an area \pm 720 Ha. Re-measurement of the community overlapping land will be defined after the expiry of the HGU. 	<ul style="list-style-type: none"> The company give priority to recruit worker from the surrounding villages Communication and consultation between the company performing well Development of Smallholding covering an area of 720 hectares currently in the process of settlement agreements of understanding (MOU) with the cooperative and the process of land preparation (Blocking Area) based on the work order of the Regent of East Aceh 	<p>Has been verified and explained in the criterion 6.11 and 6.10</p>
<p>Lubuk Pemping Village, Sub District of East Peureulak, District of East Aceh</p> <ul style="list-style-type: none"> PT. Padang Palma Permai was the only oil palm company that 	<ul style="list-style-type: none"> Company has maintain a good relationship with the 	<p>Has been verified and explained in the</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>known very well by the people of the East Aceh District. This is because of a good relationship and cooperation which balanced between the community and the company since then.</p> <ul style="list-style-type: none"> About 20% of rural communities in Lubuk Pempeng work in factory and field in PT. PPP, which helps the local economy. The Company had give assistance in form of maintenance of village road and heavy equipment loaning, as well as assistance on worship facility development. The company also provides access in assistance of community FFB transport to main road. 	<p>communities in Lubuk Pemping by helping rural development programs such as infrastructure to enhance economic growth</p> <ul style="list-style-type: none"> The Company give priority in employee recruitment from the village about company 	<p>criterion 6.11 and 6.10</p>
<p>Kampung Dalam Village, Sub District of Karang Baru, District of Aceh Tamiang.</p> <p>16 March 2016</p> <ul style="list-style-type: none"> Relationships between the company and the villagers of Kampung Dalam are well enough. Due to the location of the village and company's area located nearby the district government office of Aceh Tamiang so that the communities activities is generally not focused on plantation activities. The majority of the livelihoods of communities in the form of services activity and private businesses such as shops and food stall. Although only a small area of the company entered the territory of the village of Kampung Dalam, there is the potential for social conflict if the company does not respond. Wherein the issue is the structure of unstable soil in the trenches of a 	<ul style="list-style-type: none"> The company together with villager will resolve the unstable structure of soil in the areas which is adjacent to residents and will take corrective action against the issue The company will involves surrounding villages in the preparation and identification of CSR program The Company will conduct re-socialization to the villagers about the SOP of communication and consultation to the community as well as the handling of community grievances procedure 	<p>Has been verified and explained in the criterion 6.11 and 6.10</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>boundary by side with residential area has the potential to erode the foundations of the houses. Company and villager governments should collaborated to make a levee or permanent boundaries to prevent that, before the unrest of residents.</p> <ul style="list-style-type: none"> • The village governments assume that the company's CSR program is less transparent, in which communities through their representatives have never been involved in the preparation and adoption of CSR program. Productive economic empowerment at Kampung Dalam village has a very good potential that should be harmonized with the social program of the company. • Villagers do not comprehend the procedures regarding to the mechanism of communicating of aspiration to the company as long as it not been socialized to the community. For example, related with the company's policy if the community applied for borrowing of heavy equipment, or what stages that must be passed to work in the company, etc. 		
<p>Alur Selaras Village, Sub District of Karang Baru, District of Aceh Tamiang</p> <p>16 March 2016</p> <ul style="list-style-type: none"> • Villagers of Alur Selaras village mostly Javanese, its because most of the villagers is former employees of PT Socfin and PT PPP. • During this time relationship with the company is very well, since some of the employees and staff often visited to village. In addition, some villagers also became employee in Batang 	<p>Companies will continued to maintain good relationships with the community of Alur Selaras Village and realizing CSR programs based on the program and the ability of company</p>	<p>Has been verified and explained in the criterion 6.11 and 6.10</p>

Isu dari Publik (Institusi/ LSM / Masyarakat)	Tanggapan Manajemen	Tanggapan Auditor
<p>Ara Estate</p> <ul style="list-style-type: none"> Concern companies on access roads to and within the village is quite good, as evidenced by the the provision of assistance of soil and heavy equipment to hoarding road around the village. Most of area Batang Ara Estate is Alur Selalas Area that has been aquisited by the company a rural area that has been released Selalas Flow holdings for oil palm plantations. The Company respect and maintain the community land in Batang Ara Estate area which does not willing to aquisited. The Company respect and maintain the community land in area of Batang Ara Estate which does not willing to aquisited. Although they knew that the villagers' area are located within the company's HGU, but has never been any dispute. 		

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY**4.1 Formal Sign-off of Assessment Findings**

Hereunder sign by management representative from inspected company and audit team to acknowledge a field assessment and agree for all content explained in this assessment report, included of nonconformities issues.

Signed on behalf of:

PT. Perkasa Subur Sakti
Management Representative



MOH. PIRABAHARAN

Tuesday, 24th May 2016

Mutuagung Lestari
Lead Auditor



YUDWI WISNU RAHMANTO

Tuesday, 24th May 2016

APPENDICES
Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process

No	Institution/NGO/Community	Address	Phone/Email	Form of Communication	Date of Contact	Respon	
						Yes	No
1	FFI (Flora Fauna Indonesia)	Aceh		E-mail	March 8 th 2016.		√
2	Walhi Aceh	Aceh		E-mail	March 8 th 2016.		√
3	Transmigration and Manpower Agency.	Aceh Timur district		Interview	March 16 th 2016	√	
4	Plantation and Forestry Agency	Aceh Timur district		Interview	March 16 th 2016	√	
5	Environmental Agency	Aceh Timur district		Interview	March 16 th 2016	√	
6	National Land Agency (BPN)	Aceh Timur district		Interview	March 16 th 2016	√	
7	Village Head of Seuneubok Lapang Village	Seuneubok Lapang Village, Sub District of Peureulak Timur, District of East Aceh		Interview	March 16 th 2016	√	
8	Village Head of Tualang Pateng Village	Tualang Pateng Village, Kec. Peureulak Timur, Kab. Aceh Timur		Interview	March 16 th 2016	√	
9	Village Head of Lubuk Pemping Village	Lubuk Pemping Village, Sub District of East Peureulak, District of East Aceh		Interview	March 16 th 2016	√	
10	Village Head of Kampung Dalam Village	Kampung Dalam Village, Sub District of Karang Baru, District of Aceh Tamiang.		Interview	March 16 th 2016	√	
11	Village Head of Alur Selalas Village	Alur Selalas Village, Sub District of Karang Baru, District of Aceh Tamiang		Interview	March 16 th 2016	√	
12	INDONESIAN WORKERS UNION at PKS Blang Simpo	Aceh Tamiang district		Interview	March 16 th 2016	√	
13	Gender commite	Aceh Tamiang district		Interview	March 16 th 2016	√	
14	Local contrator	Aceh Tamiang district		Interview	March 16 th 2016	√	

Appendix 2. Assessment Program

DATE		14 – 18 March 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Monday / 14 March 2016			
05.35 – 07.35	05.35 – 07.35	Flight Jakarta to Medan	• ALL AUDITOR
08.00 – 12.00	08.00 – 12.00	MEDAN → PT Padang Palma Permai	
14.00 – 15.00	14.00 – 15.00	OPENING MEETING <ul style="list-style-type: none"> Auditee Speech (Introduction of PIC, Profile of Company) Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification) 	• Management Representative • YWR
15.00 – 17.00	15.00 – 17.00	Review on previous assessment findings (ASA-2)	• TIM AUDITOR
Tuesday / 14 March 2016			
08.00 – 12.00	08.00 – 12.00	Stakeholders consultation to statutory bodies in Aceh Timur Regency Field observation of Blang Simpo 1 Estate <ul style="list-style-type: none"> Field observation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Field observation of Occupational Health & Safety Aspect (Management of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Field observation of Employment Procedure and Mechanism Aspect are well implemented Field observation of Legal Aspect (Land Ownership, Legal Boundaries, Permits) Field observation of Conservation Aspect Field observation of Social Aspect to Nearest village and community leader (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) 	• YH • MAY • MAY • SP • YWR • SP • YWR
12.00 – 14.00	12.00 – 14.00	Break and lunch	
14.00 – 16.00	14.00 – 16.00	Field observation of Blang Simpo Factory : <ul style="list-style-type: none"> Implementation on Supply Chain Requirements Mechanism (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO) Field observation of Occupational Health & Safety Aspect (Management of Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond) Field observation of Employment Procedure and Mechanism Aspect are well implemented 	• YWR/MAY • SP/YH • SP/YH

DATE		14 – 18 March 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
Wednesday / 16 March 2016			
08.00 – 12.00	08.00 – 12.00	Field observation of Batang Ara Estate <ul style="list-style-type: none"> Field observation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Field observation of Occupational Health & Safety Aspect (Management of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Field observation of Employment Procedure and Mechanism Aspect are well implemented Field observation of Legal Aspect (Land Ownership, Legal Boundaries, Permits) Field observation of Conservation Aspect Field observation of Social Aspect to Nearest village and community leader (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) 	<ul style="list-style-type: none"> • MAY • SP • SP • YWR • YH • YWR • YWR
12.00 – 14.00	12.00 – 14.00	Break and lunch	
14.00 – 15.00	14.00 – 15.00	<ul style="list-style-type: none"> Review to the PIC related field findings. Public Consultation with internal Stakeholder (Gender Commitee, Local Contractor and Worker Union) 	<ul style="list-style-type: none"> • YWR/MAY/YH • SP
15.00 – 17.00	15.00 – 17.00	<ul style="list-style-type: none"> RSPO Document Review 	<ul style="list-style-type: none"> • YWR/SP/MAY/YH
Thursday / 17 March 2016			
08.00 – 12.00	08.00 – 12.00	Field observation of Tamiang Estate <ul style="list-style-type: none"> Field observation of Agronomy Aspect (Harvesting & Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application) Field observation of Occupational Health & Safety Aspect (Management of Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management) Field observation of Employment Procedure and Mechanism Aspect are well implemented Field observation of Legal Aspect (Land Ownership, Legal Boundaries, Permits) Field observation of Conservation Aspect Field observation of Social Aspect to Nearest village and community leader (Communication and Transparency, Procedure and Mechanism of Complaint and Grievance) 	<ul style="list-style-type: none"> • MAY • SP • SP • YWR • YH • YWR
12.00 – 14.00	12.00 – 14.00	Break and lunch	

DATE		14 – 18 March 2016	
PLANNED TIME	ACTUAL DURATION	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
14.00 – 17.00	14.00 – 17.00	Completing checklist and review to the PIC related field findings.	YWR/SP/MAY/YH
Friday / 18 March 2016			
08.00 – 09.00	08.00 – 09.00	Internal discussion by auditor team preparing for Closing Meeting	TIM AUDITOR
09.00 – 10.30	09.00 – 10.30	<ul style="list-style-type: none"> Presentation of audit findings (Noteworthy Positive Component, Non Conformities, OFI, Conclusion) Comments, Responses and Questions 	
11.00 – 15.00	11.00 – 15.00	Travelling from Plantation to Pekanbaru	TIM AUDITOR
17.00 –	17.00 –	Return flights Pekanbaru - Jakarta	

Appendix 3. List of CSPO and CSPK Deliveries

REKABAN DESPATCH CPO DAN KERHEL PERIODE 3 MEI 2015 s/d 12 MARET 2016														
URAIAN	PEMBELI	NOMOR DO PENJUALAN	QUANTITY QNT	MEI	JUNI	JULI	AUGT	SEPT	OCT	NOV	DES	JAN	FEB	MAR
MKCS	PT DPA	01/PSBDO-DPA/IV/2015	700,000	387,250										
MKCS	PT PHPO	00159/00146/05/L-PSB-MKCS	500,000	506,340										
MKCS	PT MM	00160/00147/05/L-PSB-MKCS	300,000	310,980										
MKCS	PT SMART	00162/00148/05/L-PSB-MKCS	300,000	341,230										
MKCS	PT BEST	00163/00150/05/L-PSB-MKCS	300,000	240,320										
MKCS	PT MM	00165/00151/05/L-PSB-MKCS	400,000	317,350		82,650								
MKCS	PT MM	00166/00153/05/15/L-PSB-MKCS	400,000		405,640									
MKCS	PT MM	00167/00154/05/15/L-PSB-MKCS	400,000		400,000									
MKCS	PT PHPO	00168/00155/05/15/L-PSB-MKCS	300,000		305,020									
MKCS	PT MM	00169/00156/05/15/L-PSB-MKCS	300,000		157,670	143,560								
MKCS	PT MM	00170/00157/07/15/L-PSB-MKCS	300,000			303,620								
MKCS	PT PHPO	00171/00158/07/15/L-PSB-MKCS	500,000			496,330								
MKCS	PT MM	00173/00159/07/15/L-PSB-MKCS	500,000			307,970	186,390							
MKCS	PT MM	00178/00163/09/15/L-PSB-MKCS	400,000					29,490	392,210					
MKCS	PT MM	00179/00166/10/15/L-PSB-MKCS	300,000						389,110	10,890				
MKCS	PT MNA	00173/00162/09/15/L-PSB-MKCS	750,000				505,640	744,480						
MKCS	PT MM	00174/00161/09/15/L-PSB-MKCS	750,000				745,830	4,170						
MKCS	PT MM	00176/00163/09/15/L-PSB-MKCS	500,000					502,670						
MKCS	PT MM	00177/00164/09/15/L-PSB-MKCS	750,000					735,220						
MKCS	PT MM	00180/00167/11/15/L-PSB-MKCS	400,000							400,000				
MKCS	PT MM	00181/00168/11/15/L-PSB-MKCS	250,000							242,470				
MKCS	PT MM	00182/00169/11/15/L-PSB-MKCS	400,000							82,690				
MKCS	PT DPA	02/PSBDO-DPA/OCT/2015	800,000								804,320			
MKCS	PT DPA	03/PSBDO-DPA/OCT/2015	300,000								305,010			
MKCS	PT MNA	00183/00170/12/15/L-PSB-MKCS	300,000									56,980	155,060	
MKCS	PT DPA	04/PSBDO-DPA/IV/2016	650,000										578,820	
	TOTAL		11,750,000	2,103,460	1,548,980	1,353,480	1,437,860	2,012,030	681,320	736,090	1,426,090	56,980	737,880	11,794,130
BCS	PT SMART	00081/00081/04/15/L-PSB-BCS	200,000	104,080	50,940									
BCS	PT SMART	00082/00082/05/15/L-PSB-BCS	200,000			107,050	57,620	28,120						
BCS	PT MNA	00083/00083/05/15/L-PSB-BCS	200,000		180,600	57,490								
BCS	PT MM	00084/00084/05/15/L-PSB-BCS	200,000		132,740			14,040						
BCS	PT MNA	00085/00085/07/15/L-PSB-BCS	200,000				177,760	22,830						
BCS	PT MM	00086/00086/08/15/L-PSB-BCS	200,000					187,930						
BCS	PT AJP	00087/00087/09/15/L-PSB-BCS	200,000						88,580				31,870	
BCS	PT MM	00089/00089/09/15/L-PSB-BCS	100,000					56,960	53,110					
BCS	PT MM	00089/00089/10/15/L-PSB-BCS	200,000						200,000					
BCS	PT MM	00090/00090/10/15/L-PSB-BCS	200,000						187,290					
BCS	PT MNA	00091/00091/11/15/L-PSB-BCS	200,000							158,860	41,140			
BCS	PT MNA	00092/00092/12/15/L-PSB-BCS	100,000								101,860			
BCS	PT AAJ	00093/00093/01/16/L-PSB-BCS	150,000									33,190	34,290	
			2,380,000	104,080	364,280	164,540	238,380	311,880	828,980	158,860	143,000	33,190	66,160	2,110,380
	Kot													
	PT DPA	Dumai Prasipita Abadi												
	PT PHPO	Pemata Hijau Paksi Ciko												
	PT MM	Musan Mas												
	PT SMART	Sinar Mas Agro Resources and Tecnology												
	PT BEST	Berlian Eka Sakti Tangguh												
	PT AAJ	Asiaragro Agung Jaya												
	PT MNA	Multi Nabati Asahan												
	PT AJP	Agro Jaya Perdana												

Appendix 4. Checklist of Supply Chain Requirements

Klausul	(Module D) Pabrik CPO – Persyaratan Identity Preserved
D.1	Definisi
D.1.1 Sebuah pabrik yang dianggap Identity Preserved (IP) jika TBS yang digunakan oleh pabrik bersumber dari basis pasokan sendiri bersertifikat dengan Prinsip dan Kriteria RSPO (P & C RSPO). Sertifikasi pabrik CPO diperlukan untuk memverifikasi volume TBS bersertifikasi dan tidak yang masuk ke pabrik, penerapan kontrol pemrosesan apa pun (misal, apabila segregasi digunakan), dan volume penjualan produsen bersertifikasi RSPO. Pabrik mungkin menerima kiriman TBS dari petani tidak bersertifikasi, selain dari basis lahan bersertifikasinya sendiri. Apabila pabrik memproses TBS bersertifikasi dan tidak bersertifikasi tanpa memisahkan bahan tersebut, hanya Modul E berlaku.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	Blang Simpo Factory menerapkan model rantai pasok IP karena mengolah TBS yang bersumber dari area Inti dan telah bersertifikat RSPO. Hal ini dibuktikan dengan rekaman data TBS masuk selama periode 3 May 2015 – 12 March 2016. <i>Blang Simpo Factory applied for supply chain model IP, because all the FFB's sourced from Own Estates with RSPO Certified Area. This can be proved with the record of FFB receives during period 3rd May 2015 – 12th March 2016.</i>
ASA-4	
D.2	Penjelasan
D.2.1 Estimasi tonase produk CPO dan PK yang dapat dihasilkan oleh pabrik bersertifikasi harus dicatat oleh badan sertifikasi dalam rangkuman laporan sertifikasi. Angka mewakili volume total produk minyak sawit bersertifikasi (CPO dan PK) yang pabrik bersertifikasi. Tonase sebenarnya yang dihasilkan harus dicatat pada laporan pengawasan tahunan.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	Seluruh estimasi produk bersertifikat berupa CPO dan PK tercantum didalam Basic Info Laporan Penilaian dan mengacu pada Lampiran Sertifikat penilaian sebelumnya. Saat kegiatan ASA dilakukan, tim auditor selalu melakukan verifikasi data kesesuaian antara actual penerimaan dan produksi dengan klaim produk bersertifikat. <i>The all estimated certified product CSPO and CSPK are available in Basic Information of Assessment Report and referring to previous Certificate Annexes. During surveillance assessment, auditor team doing verification of appropriateness data record between an actual receiving and output material with claimed as certified products.</i>

ASA-4	
D.2.2	
Pabrik harus memenuhi semua pendaftaran dan persyaratan pelaporan untuk rantai pasokan yang tepat melalui organisasi yang mengelola RSPO supply chain (RSPO IT platform or book and claim).	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	<p>Blang Simpo Factory telah memenuhi persyaratan rantai pasok sesuai RSPO IT Platform. Tim auditor melakukan verifikasi terhadap keanggotaan pabrik tersebut melalui penelusuran eTrace. Blang Simpo Factory telah terdaftar didalam RSPO IT Platform dengan nomor ID anggota: RSPO_PO1000000706 dan akun UID: RSPO_AC1000000734.</p> <p><i>Blang Simpo Factory has been complied with supply chain requirements according to RSPO IT Platform. Auditor team doing verification against membership of Mill through the eTrace system traceability. Blang Simpo Factory has been registered in the RSPO IT Platform with member ID: RSPO_PO1000000706 and account UID: RSPO_AC1000000734.</i></p>
ASA-4	
D.3	
Documented Procedure	
D.3.1	
Fasilitas harus memiliki prosedur dan/atau petunjuk kerja tertulis untuk memastikan penerapan semua elemen yang disebutkan dalam persyaratan ini ini minimum termasuk hal-hal berikut	
a. Prosedur lengkap dan mutakhir yang mencakup penerapan semua elemen dalam persyaratan ini b. Nama orang yang memiliki tanggung jawab dan otoritas keseluruhan atas penerapan persyaratan tersebut dan kepatuhan terhadap semua persyaratan yang berlaku. Orang ini harus menunjukkan kesadaran prosedur fasilitas untuk penerapan standar ini.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	<p>a. Prosedur terbaru: SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No: 028/PPP,PSK,PSS-SCCS/15) revisi 02, tanggal 17 Maret 2016. Prosedur tersebut telah mencakup persyaratan dalam modul ini antara lain: Ruang Lingkup Penerapan Prosedur, Referensi Prosedur (sudah update standar terbaru), Alur Proses Model IP, Persyaratan Rantai Suplai, Penanggung Jawab Terhadap Penerapan Prosedur, Identifikasi Bahan Baku dan Produk, Pengiriman Produk, Kondisi Khusus, Administrasi dan Lampiran Modul-D.</p> <p>b. Penanggung Jawab terhadap penerapan persyaratan rantai suplai Blang Simpo Factory adalah Factory Manager dan Asisten PSQM. Saat wawancara selama kegiatan ASA-03, penanggung jawab penerapan rantai suplai dapat menjelaskan dan menyajikan data penerimaan serta pengolahan material bersertifikat.</p> <p><i>a. Updated procedures: SOP of Supply Chain System for Identity Preserved Product (Policy No: 028/PPP,PSK,PSS-SCCS/15) version 02, dated 17 March 2016. These procedure has covered all requirements in Modul-D, i.a: Scope of Procedure, Reference of Procedure (has been updated with the new supply chain standard), Flow Process of IP Model, Supply Chain Requirements, Responsible Persons, Identification of Raw Material and Product, Delivering of Product, Certain Condition, Administration and Annexes of Modul-D.</i></p>

	<i>b. Responsible persons to ensure the implementation of its procedure at Blang Simpo Factory are Factory Manager and PSQM Officer. During ASA-03 interview at Mill, these responsible persons are able to explain and provide the data of receiving and processing of certified material.</i>
ASA-4	
D.3.2	
Fasilitas harus memiliki prosedur terdokumentasi penerimaan dan pemrosesan TBS bersertifikasi dan non-sertifikasi.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	<p>Blang Simpo Factory menerapkan model rantai pasok IP dimana seluruh bahan baku berasal dari sumber bersertifikat saja. Prosedur yang dimiliki yaitu SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No: 028/PPP,PSK,PSS-SCCS/15) revisi 02, tanggal 17 Maret 2016. Didalam prosedur tersebut juga dijelaskan pada bagian Kondisi Khusus bahwa:</p> <p><i>Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. The available procedure is SOP Sistem Rantai Suplai Produk Identity Preserved (Policy No: 028/PPP,PSK,PSS-SCCS/15) revisi 02, tanggal 17 Maret 2016. In the section of Particular Condition on its procedure, also described that:</i></p> <ol style="list-style-type: none"> (1). Apabila dalam kondisi tertentu terdapat penjualan TBS kepada pihak ketiga/luar, maka pedoman penjualannya mengacu pada SOP Penjualan TBS (No. Policy: 502/MKT-TBS/07). (2). Apabila dalam kondisi tertentu terdapat pembelian/pengiriman CPO bersertifikat dari PKS dalam 1 grup (perusahaan berbeda) dengan sistem interco, maka sistem rantai suplai yang digunakan harus sejenis (missal: sama-sama IP). <p><i>(1). For the certain condition, if the Mill having sales of FFB to outsider/third party, then the guidance should be refer to SOP Penjualan TBS (No. Policy: 502/MKT-TBS/07).</i></p> <p><i>(2). For the certain condition, if the Mill having purchase/delivering of certified CPO (CSPO) from affiliate Mills (1 group, different companies) with interco system, then supply chain system used should be the same model (such as IP with IP).</i></p>
ASA-4	
D.4	Pembelian dan penerimaan material
D.4.1	
Fasilitas harus memverifikasi dan mendokumentasikan volume TBS bersertifikasi dan non-sertifikasi yang diterima.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	<p>Blang Simpo Factory menerapkan model rantai pasok IP dimana seluruh bahan baku berasal dari sumber bersertifikat saja. Data Produksi Kebun dan Mill sesuai periode 3 Mei 2015 – 12 Maret 2016 sebagai berikut:</p> <p><i>Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. Production Data of Mill and Estates within period 3rd May 2015 – 12th March 2016 as follow:</i></p>

Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen	
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER
3 s/d 31 Mei'15	1444.38	2084.98	1087.60	753.94	5370.90	5370.90	5907.23	1227.45	209.06	2103.46	104.08	20.78	3.54
Juni'15	1863.67	2723.79	1128.96	775.47	6491.89	6491.89	6555.44	1380.02	234.57	1348.98	364.28	21.05	3.58
Juli'15	2048.22	3229.28	1152.28	668.76	7098.54	7098.54	6769.93	1422.16	244.62	1253.48	164.54	21.01	3.61
Agustus'15	3126.53	3755.78	1307.47	610.17	8799.95	8799.95	8736.87	1953.34	335.59	1437.86	235.38	22.36	3.84
September'15	2061.29	2590.89	923.93	468.87	6044.98	6044.98	6384.06	1433.49	242.08	2012.03	311.88	22.45	3.79
Oktober'15	1580.36	2277.95	894.90	336.66	5089.87	5089.87	5068.31	1165.94	219.95	681.32	528.98	23.00	4.34
November'15	1172.07	2277.95	787.73	389.21	4626.96	4626.96	3980.99	878.06	177.05	736.05	158.86	22.06	4.45
Desember'15	934.17	1459.01	649.21	242.66	3285.05	3285.05	3148.37	682.18	141.55	1426.09	143.00	21.67	4.50
Januari '16	809.46	1084.86	497.27	207.69	2599.28	2599.28	2693.72	582.36	116.90	56.93	33.19	21.62	4.34
Pebruari'16	597.30	811.90	722.51	178.55	2310.26	2310.26	2354.01	498.96	86.12	737.88	66.16	21.20	3.66
1 s/d 12 Mar'16	325.28	342.22	296.77	82.97	1047.24	1047.24	999.96	210.76	35.42	55.33	0.00	21.08	3.54
Total	15962.73	22638.61	9448.63	4714.95	52764.92	52764.92	52598.88	11434.72	2042.89	11849.41	2110.35		
Average	1451.16	2058.06	858.97	428.63	4796.81	4796.81	4781.72	1039.52	185.72	1077.22	191.85	21.66	3.93

ASA-4
D.4.2

Fasilitas harus menginformasikan CB langsung apabila ada produksi berlebihan yang diproyeksikan.

ST-1
ST-2
ASA-1
ASA-2
ASA-3

Berdasarkan Lampiran sertifikat MUTU-RSPO/026 (3 May 2015 – 2 May 2016):
According to Certificate Annex MUTU-RSPO/026 period 3rd May 2015 – 2nd May 2016:
 FFB Certified: 66,506 MT
 CSPO: 14,299 MT
 CSPK: 2,860 MT.

Aktual produksi (3 May 2015 – 12 March 2016):
Actual production within period 3rd May 2015 – 12th March 2016:
 FFB Certified: 52,764.92 MT
 CSPO: 11,434.72 MT
 CSPK: 2,042.89 MT

Produk bersertifikat masih dibawah yang diproyeksikan.
Certified product is below than projected estimation.

ASA-4
D.5
Penyimpanan rekaman
D.5.1

Fasilitas harus mencatat dan menyeimbangkan semua penerimaan TBS bersertifikasi RSPO dan kiriman CPO, PKO, dan inti sawit bersertifikasi RSPO dengan basis tiga bulanan.

ST-1

ST-2																																																																																																																																																																																																																																																																																																																			
ASA-1																																																																																																																																																																																																																																																																																																																			
ASA-2																																																																																																																																																																																																																																																																																																																			
ASA-3	<p>Data Produksi Kebun dan Mill serta pengiriman produk bersertifikat sesuai basis 3 bulanan periode 3 Mei 2015 – 12 Maret 2016 sebagai berikut:</p> <p><i>Production Data of Mill and Estates, as well as certified product deliveries with three monthly bases, period 3rd May 2015 – 12th March 2016 as follow:</i></p> <table><tr><th rowspan="2">Bulan</th><th colspan="4">Estate</th><th rowspan="2">Total</th><th rowspan="2">TBS diterima</th><th rowspan="2">TBS Olah</th><th colspan="2">Produksi</th><th colspan="2">Despatch</th><th colspan="2">Rendemen</th></tr><tr><th>BSE-1</th><th>BSE-2</th><th>TME</th><th>BAE</th><th>CPO</th><th>PK</th><th>CPO</th><th>PK</th><th>OER</th><th>KER</th></tr><tr><td>3 s/d 31 Mei'15</td><td>1444.38</td><td>2084.98</td><td>1087.60</td><td>753.94</td><td>5370.90</td><td>5370.90</td><td>5907.23</td><td>1227.45</td><td>209.06</td><td>2103.46</td><td>104.08</td><td>20.78</td><td>3.54</td></tr><tr><td>Juni'15</td><td>1863.67</td><td>2723.79</td><td>1128.96</td><td>775.47</td><td>6491.89</td><td>6491.89</td><td>6555.44</td><td>1380.02</td><td>234.57</td><td>1348.98</td><td>364.28</td><td>21.05</td><td>3.58</td></tr><tr><td>Juli'15</td><td>2048.22</td><td>3229.28</td><td>1152.28</td><td>668.76</td><td>7098.54</td><td>7098.54</td><td>6769.93</td><td>1422.16</td><td>244.62</td><td>1253.48</td><td>164.54</td><td>21.01</td><td>3.61</td></tr><tr><td>sub-A</td><td>5356.27</td><td>8038.05</td><td>3368.84</td><td>2198.17</td><td>18961.33</td><td>18961.33</td><td>19232.59</td><td>4029.64</td><td>688.24</td><td>4705.92</td><td>632.90</td><td>20.95</td><td>3.58</td></tr></table> <table><tr><th rowspan="2">Bulan</th><th colspan="4">Estate</th><th rowspan="2">Total</th><th rowspan="2">TBS diterima</th><th rowspan="2">TBS Olah</th><th colspan="2">Produksi</th><th colspan="2">Despatch</th><th colspan="2">Rendemen</th></tr><tr><th>BSE-1</th><th>BSE-2</th><th>TME</th><th>BAE</th><th>CPO</th><th>PK</th><th>CPO</th><th>PK</th><th>OER</th><th>KER</th></tr><tr><td>Agustus'15</td><td>3126.53</td><td>3755.78</td><td>1307.47</td><td>610.17</td><td>8799.95</td><td>8799.95</td><td>8736.87</td><td>1953.34</td><td>335.59</td><td>1437.86</td><td>235.38</td><td>22.36</td><td>3.84</td></tr><tr><td>September'15</td><td>2061.29</td><td>2590.89</td><td>923.93</td><td>468.87</td><td>6044.98</td><td>6044.98</td><td>6384.06</td><td>1433.49</td><td>242.08</td><td>2012.03</td><td>311.88</td><td>22.45</td><td>3.79</td></tr><tr><td>Oktober'15</td><td>1580.36</td><td>2277.95</td><td>894.90</td><td>336.66</td><td>5089.87</td><td>5089.87</td><td>5068.31</td><td>1165.94</td><td>219.95</td><td>681.32</td><td>528.98</td><td>23.00</td><td>4.34</td></tr><tr><td>sub-B</td><td>6768.18</td><td>8624.62</td><td>3126.30</td><td>1415.70</td><td>19934.80</td><td>19934.80</td><td>20189.23</td><td>4552.77</td><td>797.61</td><td>4131.21</td><td>1076.24</td><td>22.61</td><td>3.99</td></tr></table> <table><tr><th rowspan="2">Bulan</th><th colspan="4">Estate</th><th rowspan="2">Total</th><th rowspan="2">TBS diterima</th><th rowspan="2">TBS Olah</th><th colspan="2">Produksi</th><th colspan="2">Despatch</th><th colspan="2">Rendemen</th></tr><tr><th>BSE-1</th><th>BSE-2</th><th>TME</th><th>BAE</th><th>CPO</th><th>PK</th><th>CPO</th><th>PK</th><th>OER</th><th>KER</th></tr><tr><td>Nopember'15</td><td>1172.07</td><td>2277.95</td><td>787.73</td><td>389.21</td><td>4626.96</td><td>4626.96</td><td>3980.99</td><td>878.06</td><td>177.05</td><td>736.05</td><td>158.86</td><td>22.06</td><td>4.45</td></tr><tr><td>Desember'15</td><td>934.17</td><td>1459.01</td><td>649.21</td><td>242.66</td><td>3285.05</td><td>3285.05</td><td>3148.37</td><td>682.18</td><td>141.55</td><td>1426.09</td><td>143.00</td><td>21.67</td><td>4.50</td></tr><tr><td>Januari '16</td><td>809.46</td><td>1084.86</td><td>497.27</td><td>207.69</td><td>2599.28</td><td>2599.28</td><td>2693.72</td><td>582.36</td><td>116.90</td><td>56.93</td><td>33.19</td><td>21.62</td><td>4.34</td></tr><tr><td>sub-C</td><td>2915.70</td><td>4821.82</td><td>1934.21</td><td>839.56</td><td>10511.29</td><td>10511.29</td><td>9823.08</td><td>2142.60</td><td>435.50</td><td>2219.07</td><td>335.05</td><td>21.78</td><td>4.43</td></tr></table> <table><tr><th rowspan="2">Bulan</th><th colspan="4">Estate</th><th rowspan="2">Total</th><th rowspan="2">TBS diterima</th><th rowspan="2">TBS Olah</th><th colspan="2">Produksi</th><th colspan="2">Despatch</th><th colspan="2">Rendemen</th></tr><tr><th>BSE-1</th><th>BSE-2</th><th>TME</th><th>BAE</th><th>CPO</th><th>PK</th><th>CPO</th><th>PK</th><th>OER</th><th>KER</th></tr><tr><td>Pebruari'16</td><td>597.30</td><td>811.90</td><td>722.51</td><td>178.55</td><td>2310.26</td><td>2310.26</td><td>2354.01</td><td>498.96</td><td>86.12</td><td>737.88</td><td>66.16</td><td>21.20</td><td>3.66</td></tr><tr><td>s/d 12 Mar'16</td><td>325.28</td><td>342.22</td><td>296.77</td><td>82.97</td><td>1047.24</td><td>1047.24</td><td>999.96</td><td>210.76</td><td>35.42</td><td>55.33</td><td>0.00</td><td>21.08</td><td>3.54</td></tr><tr><td>sub-D</td><td>922.58</td><td>1154.12</td><td>1019.28</td><td>261.52</td><td>3357.50</td><td>3357.50</td><td>3353.98</td><td>709.72</td><td>121.54</td><td>793.21</td><td>66.16</td><td>21.14</td><td>3.60</td></tr></table> <p>Sementara untuk rekaman pengiriman CSPO dan CSPK, tersedia pada dokumen terlampir dalam laporan ini.</p> <p><i>For the records of CSPO and CSPK despatch, please refer to attachment file in this report.</i></p>	Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen		BSE-1	BSE-2	TME	BAE	CPO	PK	CPO	PK	OER	KER	3 s/d 31 Mei'15	1444.38	2084.98	1087.60	753.94	5370.90	5370.90	5907.23	1227.45	209.06	2103.46	104.08	20.78	3.54	Juni'15	1863.67	2723.79	1128.96	775.47	6491.89	6491.89	6555.44	1380.02	234.57	1348.98	364.28	21.05	3.58	Juli'15	2048.22	3229.28	1152.28	668.76	7098.54	7098.54	6769.93	1422.16	244.62	1253.48	164.54	21.01	3.61	sub-A	5356.27	8038.05	3368.84	2198.17	18961.33	18961.33	19232.59	4029.64	688.24	4705.92	632.90	20.95	3.58	Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen		BSE-1	BSE-2	TME	BAE	CPO	PK	CPO	PK	OER	KER	Agustus'15	3126.53	3755.78	1307.47	610.17	8799.95	8799.95	8736.87	1953.34	335.59	1437.86	235.38	22.36	3.84	September'15	2061.29	2590.89	923.93	468.87	6044.98	6044.98	6384.06	1433.49	242.08	2012.03	311.88	22.45	3.79	Oktober'15	1580.36	2277.95	894.90	336.66	5089.87	5089.87	5068.31	1165.94	219.95	681.32	528.98	23.00	4.34	sub-B	6768.18	8624.62	3126.30	1415.70	19934.80	19934.80	20189.23	4552.77	797.61	4131.21	1076.24	22.61	3.99	Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen		BSE-1	BSE-2	TME	BAE	CPO	PK	CPO	PK	OER	KER	Nopember'15	1172.07	2277.95	787.73	389.21	4626.96	4626.96	3980.99	878.06	177.05	736.05	158.86	22.06	4.45	Desember'15	934.17	1459.01	649.21	242.66	3285.05	3285.05	3148.37	682.18	141.55	1426.09	143.00	21.67	4.50	Januari '16	809.46	1084.86	497.27	207.69	2599.28	2599.28	2693.72	582.36	116.90	56.93	33.19	21.62	4.34	sub-C	2915.70	4821.82	1934.21	839.56	10511.29	10511.29	9823.08	2142.60	435.50	2219.07	335.05	21.78	4.43	Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen		BSE-1	BSE-2	TME	BAE	CPO	PK	CPO	PK	OER	KER	Pebruari'16	597.30	811.90	722.51	178.55	2310.26	2310.26	2354.01	498.96	86.12	737.88	66.16	21.20	3.66	s/d 12 Mar'16	325.28	342.22	296.77	82.97	1047.24	1047.24	999.96	210.76	35.42	55.33	0.00	21.08	3.54	sub-D	922.58	1154.12	1019.28	261.52	3357.50	3357.50	3353.98	709.72	121.54	793.21	66.16	21.14	3.60
Bulan	Estate				Total	TBS diterima				TBS Olah	Produksi		Despatch		Rendemen																																																																																																																																																																																																																																																																																																				
	BSE-1	BSE-2	TME	BAE			CPO	PK	CPO		PK	OER	KER																																																																																																																																																																																																																																																																																																						
3 s/d 31 Mei'15	1444.38	2084.98	1087.60	753.94	5370.90	5370.90	5907.23	1227.45	209.06	2103.46	104.08	20.78	3.54																																																																																																																																																																																																																																																																																																						
Juni'15	1863.67	2723.79	1128.96	775.47	6491.89	6491.89	6555.44	1380.02	234.57	1348.98	364.28	21.05	3.58																																																																																																																																																																																																																																																																																																						
Juli'15	2048.22	3229.28	1152.28	668.76	7098.54	7098.54	6769.93	1422.16	244.62	1253.48	164.54	21.01	3.61																																																																																																																																																																																																																																																																																																						
sub-A	5356.27	8038.05	3368.84	2198.17	18961.33	18961.33	19232.59	4029.64	688.24	4705.92	632.90	20.95	3.58																																																																																																																																																																																																																																																																																																						
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen																																																																																																																																																																																																																																																																																																							
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER																																																																																																																																																																																																																																																																																																						
Agustus'15	3126.53	3755.78	1307.47	610.17	8799.95	8799.95	8736.87	1953.34	335.59	1437.86	235.38	22.36	3.84																																																																																																																																																																																																																																																																																																						
September'15	2061.29	2590.89	923.93	468.87	6044.98	6044.98	6384.06	1433.49	242.08	2012.03	311.88	22.45	3.79																																																																																																																																																																																																																																																																																																						
Oktober'15	1580.36	2277.95	894.90	336.66	5089.87	5089.87	5068.31	1165.94	219.95	681.32	528.98	23.00	4.34																																																																																																																																																																																																																																																																																																						
sub-B	6768.18	8624.62	3126.30	1415.70	19934.80	19934.80	20189.23	4552.77	797.61	4131.21	1076.24	22.61	3.99																																																																																																																																																																																																																																																																																																						
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen																																																																																																																																																																																																																																																																																																							
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER																																																																																																																																																																																																																																																																																																						
Nopember'15	1172.07	2277.95	787.73	389.21	4626.96	4626.96	3980.99	878.06	177.05	736.05	158.86	22.06	4.45																																																																																																																																																																																																																																																																																																						
Desember'15	934.17	1459.01	649.21	242.66	3285.05	3285.05	3148.37	682.18	141.55	1426.09	143.00	21.67	4.50																																																																																																																																																																																																																																																																																																						
Januari '16	809.46	1084.86	497.27	207.69	2599.28	2599.28	2693.72	582.36	116.90	56.93	33.19	21.62	4.34																																																																																																																																																																																																																																																																																																						
sub-C	2915.70	4821.82	1934.21	839.56	10511.29	10511.29	9823.08	2142.60	435.50	2219.07	335.05	21.78	4.43																																																																																																																																																																																																																																																																																																						
Bulan	Estate				Total	TBS diterima	TBS Olah	Produksi		Despatch		Rendemen																																																																																																																																																																																																																																																																																																							
	BSE-1	BSE-2	TME	BAE				CPO	PK	CPO	PK	OER	KER																																																																																																																																																																																																																																																																																																						
Pebruari'16	597.30	811.90	722.51	178.55	2310.26	2310.26	2354.01	498.96	86.12	737.88	66.16	21.20	3.66																																																																																																																																																																																																																																																																																																						
s/d 12 Mar'16	325.28	342.22	296.77	82.97	1047.24	1047.24	999.96	210.76	35.42	55.33	0.00	21.08	3.54																																																																																																																																																																																																																																																																																																						
sub-D	922.58	1154.12	1019.28	261.52	3357.50	3357.50	3353.98	709.72	121.54	793.21	66.16	21.14	3.60																																																																																																																																																																																																																																																																																																						
ASA-4																																																																																																																																																																																																																																																																																																																			
D.6	Processing																																																																																																																																																																																																																																																																																																																		
6.1																																																																																																																																																																																																																																																																																																																			
Fasilitas harus memastikan dan memverifikasi prosedur dan penyimpanan catatan jelas minyak sawit bersertifikasi RSPO disimpan terpisah dari bahan non-sertifikasi pada saat transportasi dan penyimpanan.																																																																																																																																																																																																																																																																																																																			
ST-1																																																																																																																																																																																																																																																																																																																			
ST-2																																																																																																																																																																																																																																																																																																																			
ASA-1																																																																																																																																																																																																																																																																																																																			
ASA-2																																																																																																																																																																																																																																																																																																																			
ASA-3	Blang Simpo Factory menerapkan model rantai pasok IP dimana seluruh bahan baku berasal dari sumber bersertifikat																																																																																																																																																																																																																																																																																																																		

	saja. Sementara untuk rekaman pengiriman CSPO dan CSPK, tersedia pada dokumen terlampir dalam laporan ini. <i>Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. For the records of dispatch CSPO and CSPK, please refer to attachment file in this report.</i>
ASA-4	
6.2	
Targetnya adalah 100% bahan terpisah tercapai.	
ST-1	
ST-2	
ASA-1	
ASA-2	
ASA-3	Blang Simpo Factory menerapkan model rantai pasok IP dimana seluruh bahan baku berasal dari sumber bersertifikat saja. Dalam hal ini, kebun dan pabrik telah memenuhi target 100% untuk menghasilkan produk bersertifikat. <i>Blang Simpo Factory applied the IP supply chain model, where the all raw materials are only sources from certified area. According with these, Estates and Mill have been achieved 100% to generate of certified products.</i>
ASA-4	